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# ***Daily Report***

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## **East Asia**

**FBIS-EAS-89-025**

**Wednesday**

**8 February 1989**

# Daily Report

## East Asia

FBIS-EAS-89-025

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8 February 1989

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## Japan

### **Takeshita Returns From 8-Day U.S. Visit**

OW0702133089 Tokyo KYODO in English 1229 GMT  
7 Feb 89

[Text] Tokyo, Feb. 7 KYODO—Prime Minister Noboru Takeshita returned from the United States Tuesday night, concluding an eight-day, three-city visit.

Takeshita, accompanied by his wife Naoko and Foreign Minister Sosuke Uno, first went to New York to meet U.N. Secretary General Javier Perez de Cuellar.

He then visited Washington for talks with U.S. President George Bush.

In Los Angeles he met former President Ronald Reagan.

### **Tazawa Comments on USSR-Held Islands**

OW0702105489 Tokyo KYODO in English 1014 GMT  
7 Feb 89

[Text] Tokyo, Feb. 7 KYODO—Acting Japanese Prime Minister Kichiro Tazawa said Tuesday that Japan will not relax its "persistent" diplomatic policy towards the Soviet Union until Moscow agrees to return four islands off Hokkaido held since the end of the World War II.

Tazawa, director general of the Defense Agency and the most senior member in the cabinet of Prime Minister Noboru Takeshita, made the pledge before 1,200 people gathered for a rally in Tokyo's Kudankaikan Hall to mark the ninth annual "northern territories day," established by the government in 1981 to heighten and sustain public awareness of the lingering bilateral issue.

"It is extremely regrettable that 40 some years after the close of the war (the islands) remain under Soviet occupation," Tazawa told the audience of citizens groups, former island residents, government officials, political party representatives, and reporters, including scribes from three Soviet media agencies.

Tazawa, one of the four cabinet ministers attending the government-sponsored rally, spoke in place of Takeshita, who was on an official trip to the United States with Foreign Minister Sosuke Uno.

Under the Japanese law, an acting prime minister is named while the prime minister makes a trip abroad.

Commenting on last December's foreign ministerial talks between Uno and his Soviet counterpart Eduard Shevardnadze, Tazawa noted that the overall dialogue between the two countries was in a mode of expansion.

He said the reconciliatory trend will be furthered when Soviet leader Mikhail Gorbachev finally visits Japan.

While acknowledging a shift in Kremlin policy from a previous refusal of the existence of a territorial dispute to a new willingness to directly address the issue, Tazawa echoed other speakers at the rally in saying the basic Soviet stance "remains as uncompromising as ever."

"The primary task in our diplomacy vis-a-vis the Soviet Union is to realize the return en bloc of the northern territories and to conclude a peace treaty, thereby establishing a stable relationship based on true mutual understanding," Tazawa said.

Citizens' group representatives announced that 47 million signatures, 3 million short of the final goal, have now been collected throughout the nation for the petition for the realization of the reversion of the northern territories.

The walls of the rally hall were bedecked with huge banners with slogans such as "The day the islands are returned will be the day of peace" and "keep the flame of public opinion burning."

Outside police maintained tight security around the facility, but no right-wing loudspeaker vans were observed.

Similar ceremonies were held on a smaller scale at the regional level Tuesday in all of Japan's 47 prefectures.

February 7 was selected as northern territories day after an 1885 Russo-Japanese treaty signed on that day which recognized the disputed islands as belonging to Japan.

The Soviet Union, which has repeatedly expressed a reluctance to adjust post-World War II borders, agreed in 1956 to return two of the four islands to Japan and conclude a peace treaty, but later backed off from its pledge after Japan renewed its security treaty with the United States amid an intensification of the cold war.

Japan has since demanded a wholesale return of the four islands as a precondition to concluding a peace treaty and expanding economic ties with Moscow.

### **Comments on Bases, Defense**

OW0202234089 Naha RYUKYU SHIMPO in Japanese  
2 Feb 89 Morning Edition p 1

[Text] Defense Agency Director General Kichiro Tazawa, visiting Okinawa Prefecture to inspect U.S. bases and other places, held a news conference at a hotel in Naha on the afternoon of 1 February. Regarding Governor Nishime's five-point request on base issues, including the review of U.S. bases in Okinawa and a halt to a Harrier-pad construction project at Aha in Kuni-gami village, Director General Tazawa said that the request would be conveyed to U.S. forces Okinawa area coordinator Major General Norman H. Smith. However, concerning U.S. military training, he expressed the position of permitting it to continue "for the security of

Japan," although he said "it is undesirable that the training affects residents." Regarding the solution of base-related incidents and accidents, he simply said that "I want this to be viewed from a long-term standpoint."

Asked what measures the Defense Agency will take toward the U.S. forces Japan in response to Nishime's request, which includes a call for halting a Harrier-pad construction project, Director General Tazawa said that "I cannot answer the question immediately, but I would like to make a sincere study, together with the Defense Facilities Administration Agency."

Concerning U.S. military training, he clarified his position in favor of continuing it, saying that "it is natural to raise the levels of training for the maintenance of peace in the Far East and for the security of Japan."

The director general said that "the U.S. military has already been asked to conduct training in a careful manner and not cause accidents." Base-related incidents and accidents take place so frequently in Okinawa that a voice has been raised for reviewing the Status of Forces Agreement even within the LDP's Defense Affairs Department. Referring to this situation in Okinawa, the director general expressed the following view: "It is a question that should not be overlooked. At every opportunity available, I would like to ask U.S. military authorities what policies—what notions regarding Okinawa in particular—they have."

In addition, he touched on the defense budget for the first year of Heisei, which shows a 5.9-percent increase over the preceding year and amounts to 3.9198 trillion yen. He said that emphasis was placed on base-related measures in formulating the budget. Regarding the formulation schedule and plan for the next mid-term defense buildup program, which is to follow the current one, he said: "The program should be worked out on the basis of Japan's expected defense buildup levels as of the final stage of the current mid-term program. On this basis, the international situation and Japan's technical capability should also be taken into consideration."

Defense Agency Director General Tazawa is temporarily acting for Prime Minister Takeshita, who is now visiting the United States. Pointing to his departure from the metropolitan area at such a time to visit Okinawa Prefecture to inspect bases, a source related to the Defense Agency said that it indicated how much importance he attached to various base-related issues. It is quite rare for a minister to leave the metropolitan area while temporarily acting for the prime minister.

**Minister Pledges To Support Deutsche Mark**  
OW0602100389 Tokyo KYODO in English 0815 GMT  
6 Feb 89

[Text] Tokyo, Feb. 6 KYODO—Japan pledged to conduct concerted dollar-selling intervention with other Group of Seven (G-7) industrial nations if necessary to bolster the West German mark against the U.S. dollar, Finance Minister Tatsuo Murayama said Monday.

Murayama made the remark at a press conference here after his return from the G-7 conference in Washington.

The finance minister said Japan was asked to intervene in concert with other G-7 nations to prop up the faltering mark against the dollar at the Washington meeting of finance ministers and central bankers.

Murayama said he responded affirmatively to the request.

Over the past several weeks, European central banks, spearheaded by the German Bundesbank, intervened repeatedly to support their currencies against a surging dollar.

During the same period, the Bank of Japan stayed away from the currency market, while the U.S. Federal Reserve (Fed) carried out limited dollar-selling intervention in concert with the Europeans.

But their coordinated actions were largely nullified by the Fed's tighter credit stance designed to prevent a revival of U.S. inflation, market sources said.

Murayama said the G-7 nations reconfirmed their earlier pledge to sustain policy coordination to stabilize currency rates.

The minister said all of the G-7 nations voiced concern about a potential rise in inflationary pressure.

He said, however, that although the G-7 nations must remain vigilant about a possible flare-up of inflation, they are not faced with a pressing need to combat inflation.

In this connection, he hinted that Japan will maintain its present relaxed credit policy of keeping low the cost of borrowing central bank funds for industrial and investment purposes. Japan's official discount rate has been pegged at a historic low of 2.5 percent per annum.

He said the recent tightening of European and American monetary policies reflects their concern about burgeoning inflationary pressure. In January, many European central banks raised their discount rates in concert to prevent outflows of investment funds into high-yielding U.S. securities from further fueling a rising dollar.

He said both new U.S. President George Bush and Treasury Secretary Nicholas Brady pledged to whittle down the federal budget deficit that has threatened to cripple stability in the global financial markets.

Murayama said some G-7 nations criticized the current U.S. policy of engineering a higher dollar. A rising dollar could result in higher import prices in European and Japan.

Muryama said he favors stable exchange rates as currency instability tends to stymie the improvement of current account trade imbalances.

Market expectations that the Bush administration and the Democrat-controlled congress may strike a federal deficit-cutting compromise have been contributing to buoying the dollar, he said.

The minister said however, he remains uncertain about the future course of the dollar.

**Sony To Expand Facilities in Southeast Asia**  
*BK0402070889 Kuala Lumpur BERNAMA in English 0450 GMT 4 Feb 89*

[Tekt] Kuala Lumpur, Feb. 4 (OANA-BERNAMA)—Sony Corp. of Japan, hit by the rising yen and production costs, will shift its production base to low-cost South-East Asia in stages, a news report said Saturday.

The report, quoting M. Ozaki, the general manager of Sony (Malaysia) Sales and Service Co. Ltd., said for a start it had been shifting its mass production bases to the region.

This will be followed by capital intensive production bases and finally its research and development centres.

Sony set up eight manufacturing plants as well as sales companies in Thailand, Singapore and Malaysia in the last two years to produce and market television, hi-fi products and components to local and Asian markets.

Sony International (Singapore) Director Takao Yuhara said its current factory-building programme would push up the South-East Asia region's share of total production to at least 50 percent.

Ozaki said it was Sony's aim to have production bases as close as possible to the fastest-growing markets of the Asia-Pacific region.

**Economy Expected To Expand in Early 1989**  
*OW0702075389 Tokyo KYODO in English 0732 GMT 7 Feb 89*

[Text] Tokyo, Feb. 7 KYODO—Managers expect the Japanese economy and corporate activities to expand during the first half of 1989, the Economic Planning Agency (EPA) said in a quarterly report Tuesday.

The report is based on questionnaires sent to business managers of 4,082 firms in December

The short-term economic survey found a considerable numbers of corporate managers who see their business expanding during the period from October 1988 to June 1989.

An indicator, based on the views of the corporate managers in both the manufacturing and nonmanufacturing fields, also showed that the capital spending is continuing to rise in the same period, EPA official said.

Most managers also predict that the sales and pretax profits of their business would steadily rise during the period, he added.

**Keidanren To Form Funds Recycling Firm**  
*OW0702121389 Tokyo KYODO in English 1157 GMT 7 Feb 89*

[Text] Tokyo, Feb. 7 KYODO—The Federation of Economic Organizations (Keidanren) on Tuesday announced the selection of Japan International Development Organization (JAIDO) as the name of a firm to recycle Japan's current-account surplus of developing countries.

JAIDO, a semigovernmental joint-stock company to be set up in late March, will be capitalized at 6 billion yen, officials said.

Of the capital, 2 billion yen will be provided by the Government Overseas Economic Cooperation Fund, and the balance by 80 private companies—50 million yen each, the officials said.

The officials said the initially planned capital was 5 billion yen, but that the amount has been increased to 6 billion yen as a number of private firms wished to invest in the projected firm.

JAIDO will be inaugurated March 29 with Shoichi Saba, vice chairman of Keidanren, as chairman. Shinichi Yufu, chairman of Keidanren's international cooperation project subcommittee, will be the president of the company.

**LDP's Official Accepts CPSU Invitation**  
*OW0702192589 Tokyo NHK General Television Network in Japanese 1000 GMT 7 Feb 89*

[Text] Soviet Ambassador to Japan Solovyev called on LDP General Secretary Abe at the party headquarters today. At the meeting Ambassador Solovyev conveyed to Abe the CPSU Central Committee's formal invitation for a highest-level LDP delegation to visit Moscow in the latter half of this year for an exchange of views on bilateral issues.

In reply, Secretary General Abe said that he respectfully accepts the invitation. The LDP secretary general wants to personally lead the party delegation to the Soviet Union.



### Resigned Official Cites Colleagues Support

OW0702120989 Tokyo KYODO in English 0946 GMT  
7 Feb 89

[Text] Tokyo, Feb. 7 KYODO—The widening Recruit Cosmos scandal claimed another victim on Tuesday as Saburo Tsukamoto, chairman of the Democratic Socialist Party, announced his resignation.

At a news conference following the DSP's Central Executive Committee session, the leader of the nation's third largest opposition party apologized for causing his fellow members and the people trouble as a result of his purchase of Recruit Cosmos shares.

Tsukamoto said he will not run for chairmanship of the party when the party's convention begins February 22.

The DSP chairman said that although his colleagues believe he has done nothing wrong, he cannot ignore concerns within the party over the scandal's impact in the House of Councillors election set for July.

Tsukamoto said he has asked Eiichi Nagasue, vice chairman, and Keigo Ouchi, secretary general, to arrange for his successor.

The DSP leader admitted purchasing 5,000 shares of Recruit Cosmos Co., a real estate subsidiary of the information conglomerate Recruit Co., in the fall of 1986. He earned a profit of some 10 million yen by selling the shares three months after they were offered to the public on the over-the-counter market.

Tsukamoto said he used the profit for political activities and did not do anything improper with the funds he received through the deal.

His predecessors Ryosaku Sasaki and Ouchi, however, have demanded that Tsukamoto resign.

The Recruit scandal erupted last June and a total of 159 people, including dozens of politicians, bureaucrats and business leaders, have been named as buyers of unlisted shares of Recruit Cosmos at bargaining prices between 1984 and 1986.

Secretaries and relatives of Prime Minister Noboru Takeshita, his predecessor Yasuhiro Nakasone, ruling Liberal Democratic Party Secretary General Shintaro Abe, and LDP Policy Board Chairman Michio Watanabe were also recipients of Recruit Cosmos shares.

So far 20 prominent figures have resigned from their posts over the Recruit affair. Among them were former Deputy Prime Minister Kiichi Miyazawa, former Justice Minister Takashi Hasegawa, former Economic Planning Agency Chief Ken Harada, former Nippon Telegraph and Telephone Corp. Chairman Hisashi Shinto.

### North Korea

#### Preliminary Talks With South Open in Panmunjom

SK0802051489 Pyongyang KCNA in English  
0452 GMT 8 Feb 89

[Text] Panmunjom February 8 (KCNA)—Preliminary talks for North-South high-level political and military talks began in the area of the South side of Panmunjom at 10 a.m. today.

As already known, a joint meeting of the Central People's Committee, the Standing Committee of the Supreme People's Assembly and the Administration Council of the Democratic People's Republic of Korea held on November 7 last year discussed measures for the guarantee of peace to promote the independent and peaceful reunification of the country, worked out comprehensive peace proposals for a phased reduction of all the existing armed forces on the Korean peninsula and relaxation of the present political and military confrontation between the North and South and decided to forward them to the South side and the Government of the United States.

Proceeding from this, the premier of the DPRK Administration Council sent a letter to the "prime minister" of the South side on November 16 last year, proposing to hold North-South high-level political and military talks for the discussion of measures to ease the present political and military confrontation.

The preliminary talks for North-South high-level political and military talks today have been arranged as the South side agreed to our proposal.

Many home and foreign reporters gathered at Panmunjom to cover the preliminary talks today.

Present at the talks on our side were head of the delegation Paek Nam-chun, councillor of the Administration Council, and delegates—Choe U-chin, department director of the Foreign Ministry; Kim Yong-chol, deputy department director of the Ministry of People's Armed Forces, Yu Song-chol, department director of the Administration Council; Choe Song-ik, department director of the Secretariat of the Committee for the Peaceful Reunification of the Fatherland;—and on the South side were five delegates with Son Han-ho, "vice-minister of the Unification Board", as the chief delegate.

The members of the delegation of our side exchanged greetings with the members of the South side at the conference room before entering into the talks.

The talks continue.

**Report on 16-point Proposal**

SK0802052889 Pyongyang KCNA in English  
0458 GMT 8 Feb 89

[Text] Panmunjom February 8 (KCNA)—Paek Nam-chun, head of the delegation of our side, spoke first at the first round of preliminary talks for North-South high-level political and military talks now being held in the area of the South side of Panmunjom.

Stressing that to realize talks between political and military persons in authority of the North and the South is an important matter of the nation which brooks not a moment's delay, he clarifies as follows our side's stand on the working procedural matters in arranging North-South high-level political and military talks between the two sides headed by their premiers:

**1. The name of talks:**

The North-South high-level talks to discuss and resolve the question of removing the present North-South political and military confrontation are called North-South high-level political and military talks between the two sides headed by their premiers (talks below).

**2. The date of the talks:**

The talks shall begin within one month after the current preliminary talks close.

**3. The venue of the talks:**

The talks shall be held in Pyongyang and Seoul alternately and the first round of talks be held in Pyongyang.

**4. The agenda of the talks:**

The agenda of the talks shall be "on removing the present political and military confrontation between the North and the South."

**5. The composition of the delegations to the talks:**

Each delegation shall consist of seven members and be headed by the premier. It shall include about two military persons in authority.

**6. The suite members and reporters for the talks.**

There shall be 20 suite members from each side for the guarantee of the talks and 50 reporters to cover the talks.

**7. The form of the talks:**

The talks may be held in public or in camera.

**8. Adoption of an agreement:**

Agreed points shall be confirmed in the form of an agreement signed by both sides and the agreement shall be done in duplicate and its copies be exchanged after being signed by the premiers.

**9. Recording of the talks:**

The talks shall be recorded by shorthand, tape-recorders or video tapes as each side thinks fit.

**10. Report of the talks:**

The talks shall be reported as each side thinks fit and may be reported in the form of joint communique.

**11. Insignia of the place of talks:**

There shall be no insignia on the table and at the place of talks.

**12. The guarantee for personal safety.**

The two sides shall exchange notes of guarantee for personal safety signed by the premiers to guarantee the safety of the personnel who visit the other side for the talks. Members who visit the other side shall have identity cards issued by their premier.

**13. Procedures of passing through Panmunjom.**

Procedures of the passage of the members of the delegations through Panmunjom shall follow the precedent of the former North-South dialogues.

**14. The schedule of stay.**

The schedule of stay in the area of the opposite side shall be three nights and four days. The period of stay may be changed according to agreement, if necessary.

**15. Providing conveniences.**

The host side shall serve in a responsible manner the convenience of the visiting personnel of the other side and the invited shall follow the guidance of the host side.

**16. The hot line.**

The hot line already laid between Pyongyang and Seoul shall be used to ensure the work of the talks.

Head of the delegation Paek Nam-chun stressed that our side's proposal on the working and procedural matters for North-South high-level political and military talks is a fair and reasonable one on which the two sides may reach an agreement for the successful preparation of full-dress talks, as it is based on the letters exchanged so far between the two premiers and the precedent of the past North-South dialogues.

The North and the South should bring the preliminary talks arranged with so much efforts to a success at any cost to open North-South high-level political and military talks with the premiers as heads of the delegations as soon as possible, he said, and went on:

To this end, first of all, an atmosphere of unity and peace favourable to dialogue should be arranged. The "Team Spirit 89" joint military exercises are not only making our dialogue insecure but also unbecoming to the atmosphere of the favourably developing climate of the multi-channelled North-South dialogue.

He formally demanded that the South side unconditionally stop the "Team Spirit 89" joint military exercises which are rendering the situation of the the Korean Peninsula extremely strained, aggravating misunderstanding, mistrust and confrontation between the North and the South and blocking the road to peaceful reunification.



As regards the atmosphere of dialogue, the head of our side noted that the South side is these days blocking press activities for introducing the reality of the North as it is. We, as a dialogue partner, consider that the South side should stop at once the unreasonable acts of confiscating publications which introduce the northern half of Korea, stopping their issue and walking off those involved in it, he said.

#### North Official Speaks

SK0802073089 *Pyongyang Domestic Service*  
in Korean 0230 GMT 8 Feb 89

[Text] The first round of the preliminary talks for high-level North-South political and military talks is continuing in the South's area of Panmunjom. Paek Nam-chun, head of our delegation, spoke first at the talks.

Saying that he was very happy because the delegations of the two sides have sat together with the important mission of arranging high-level North-South political and military talks, at a time when all compatriots are urgently hoping that a new phase would open in our country for peace and peaceful reunification, he went on to add: Currently, eliminating the state of political confrontation between the North and South is a matter of inevitability in seeking national reconciliation and unity and in promoting the peace of the country and its peaceful reunification. It is also the most urgent task, the accomplishment of which brooks no delay.

Our nation, which has lived in harmony on the same land for a long period of 5,000 years, today confronts and antagonizes one another. Without ending this abnormal situation, the misunderstanding and distrust which have been accumulated between the two sides for a long period of time cannot be eliminated; and, as long as the misunderstanding and distrust continue, no substantial progress can be made on the road to peace and reunification, no matter how hard dialogue may be held.

Moreover, if the North and South do not eliminate the state of the ever-growing military confrontation and if this would escalate into war, our nation would be unable to escape the irretrievable catastrophe of a nuclear war.

Common prosperity is mutually pursued even between foreign countries and nations by overcoming the past idea of confrontation, and conflicts in many regions, which have been left unsettled, are now being settled peacefully. Under these circumstances, it is a national tragedy if our consanguineous people continue to treat one another as enemies and live in the everlasting danger of war. Precisely for this reason, our side—with the single thought of by all means opening a breakthrough of national reconciliation and unity, the peace of the country, and its peaceful reunification—in the past, above all, put forth various realistic, fair, and just proposals to eliminate the state of political and military confrontation between the North and South and has exerted all sincere efforts for their realization.

Nevertheless, although the efforts exerted have not been small and although dialogue was begun long ago, the people in authority the North and South of our country have never sat face to face and have never discussed problems to eliminate the state of political and military confrontation.

Under these circumstances, this time the South side—although belatedly, has responded to our proposal. As a result, preliminary talks have been held to arrange high-level North-South political and military talks. This is the development of an event that is of epochal significance.

If the holders of real political power and military power from both sides, who can resolve in a responsible manner the issue of eliminating the state of political and military confrontation between the North and the South, sit together, this itself would be the first step for national reconciliation. If the two sides turn up to sincerely discuss the problems based on the attitude of understanding and making concessions as the same fellow countrymen, an excellent outcome will undoubtedly be born.

Stressing that realizing talks by the holders of real political and military power from the North and the South is an important national task that should not be delayed any longer, the head of our delegation revealed the following position of our side concerning the issue of working-level procedures for realizing North-South high-level political and military talks, with the premiers of the two sides as the heads of the delegations:

1. The title of the talks: The North-South high-level talks to discuss and resolve the issue of eliminating the state of impending political and military confrontation between the North and the South shall be called North-South high-level political and military talks with premiers of the two sides as the heads of the delegation. This shall be called talks hereinafter.
2. The time of the talks: The talks shall be held within 2 months of the end of these preliminary talks.
3. The venue of the talks: The venue of the talks shall be Pyongyang and Seoul. The venue shall be designated alternately, and the first meeting shall be held in Pyongyang.
4. The agenda of the talks: The agenda of the talks shall be on the elimination of the state of impending political and military confrontation between the North and the South.
5. Composition of delegates to the talks: The delegation shall be composed of seven members each and the head shall be the premier. About two holders of real military power shall be included in the delegation.
6. Entourage and reporters for the talks: The number of accompanying members shall be 20 each. The number of reporters covering the talks shall be 50.
7. Form of talks: The talks may be held openly or in closed session.
8. Adoption of memorandum of agreement: Items on which an agreement is reached shall be confirmed by a memorandum of agreement signed by both sides. When

the memorandum of agreement is to be adopted, each side shall make two copies and shall exchange one copy with the other side after the premiers have signed it.

9. The record of talks: The record of talks shall be made in manners convenient to each side such as shorthand, tape recording, and videotapes.

10. Reporting of the talks: The reporting of the talks shall be conducted in ways convenient to each side, and joint reporting may be conducted.

11. Insignia at the venue of talks: No insignia or signs shall be on the tables of talks or at the venue of talks.

12. Guaranteeing personal safety: The two sides shall exchange a memorandum signed by the premier to guarantee the personal safety of those who tour the other side's areas for talks.

Those who tour the other side's areas shall bring with them the identification card issued by the premiers of their side.

13. Procedures for transiting Panmunjom: The procedure in transiting Panmunjom by delegation members shall be according to the precedent of North-South dialogue.

14. The schedule of sojourn: The schedule of sojourn in the area of the opposing side shall be 3 nights and 4 days. However, if necessary, the schedule of sojourn can be adjusted through agreement.

15. The guarantee of facilities: The guarantee of facilities for the people of the opposing side who would travel to areas of the other side shall be responsibly guaranteed by the host side, and the guest side shall follow the guide of the host side.

16. The hotline: To guarantee the workings of the talks, the existing hotline between Pyongyang and Seoul shall be utilized.

Delegate head Paek Nam-chun said that our proposal on the question of working procedures for high-level North-South political and military talks is based on the letters which have been sent and received between the premiers of the two sides and is in accordance with the precedent of past North-South dialogue. He said that thus, the proposal is a fair, just, and rational one upon which the two sides can agree for the successful preparations for full-fledged talks, and added: The North and South should lead the preliminary talks, which have been arranged with so much effort, to success by all means and should hold the high-level North-South political and military talks with premiers as heads of the delegations at an early date.

Primarily to this end, an atmosphere of unity and peace, which are favorable for dialogue, should be created.

The North and South should not do anything which provokes the opposing side or aggravates the situation. At the same time, they should not commit anything such as creating obstacles against dialogue by boosting distrust or causing a clash.

What we would like to say first in this connection is the question of the "Team Spirit-89" joint military exercise, which the South side is staging with the United States by regarding us as an imaginary enemy.

As has been made known, the U.S. Department of State in early January pronounced that the "Team Spirit" joint military exercise would be carried out as usual this year as well. At the same time, the person in military authority in the South, only some time ago—on 1 February, in a so-called special interview program—said that the "Team Spirit" joint military exercise cannot be stopped, and made it clear that the military exercise was currently unfolding.

As for the "Team Spirit" joint military exercise, it is not a mere military exercise but a preliminary war to attack the northern half of the republic. In other words, it is a factor that can cause extreme unease and can vaporize the result of our dialogue overnight.

It can be imagined how large the "Team Spirit" joint military exercise is, for which 200,000-strong army, air, and naval forces, including U.S. forces, are hurled in, when one considers the fact that only less than 100,000 troops are mobilized even for the NATO joint military exercise, which is carried out in Europe with the participation of 15 countries.

The armed forces mobilized for the "Team Spirit" joint military exercise are indeed vast and are more than sufficient to wage a whole war in a small country like ours.

In particular, hurled in for this military exercise are the U.S. Strategic Command, which commands nuclear war as a basic mission; the carrier battle group of the Seventh U.S. Fleet, which is called a nuclear base where a nuclear war command aircraft is called in and operated; B-52 strategic bombers, which are a part of the strategic U.S. nuclear force; F-16 and F-15 nuclear fighter-bombers; and Lance missiles. This is a nuclear war exercise which threatens the existence of our nation. Thus, its gravity is crystal clear without further explanation.

Numerous U.S. combat troops, operational equipment, and war materials currently are extensively being moved, concentrated, and deployed from the U.S. mainland, Hawaii, Guam, Japan, and other overseas military bases for this extremely dangerous "Team Spirit" joint military exercise.

A dangerous situation in which a total war can break out even by an accidental event is being created today on the Korean peninsula with the extremely provocative "Team Spirit" joint military exercise being staged in our country, where the enormous armed forces of the two sides are in acute confrontation, divided by the Military Demarcation Line.

No one can predict when the "Team Spirit" joint military exercise, which has been expanded in escalation, would spread into actual warfare.

If a war breaks out now, it would be a thermonuclear war, the nature of which is entirely different from the Korean war in the 1950s, and the calamities which our nation would suffer in this war cannot even be imagined.

Questioning how, under these circumstances, our dialogue can be guaranteed, and that, even if a good agreement is reached at the dialogue, how significant it would be, the head of our delegation, Paek Nam-chun, added: To anyone, it is foolish and silly to hold dialogue, the guarantee of which is not concrete, when faced by the danger that war may break out at any moment. At the same time, this can only be self-deceit.

The "Team Spirit-89" joint military exercise not only makes our dialogue uneasy but also is unsuitable with the atmosphere of the multi-sided North-South dialogue which is unfolding favorably.

As is known by the South side as well, today, between the North and South, the convocation of a North-South joint parliamentary meeting is on the schedule today between the North and the South, as are high-level North-South political and military talks, student talks, and sports talks. Thus, the overall situation is favorably moving toward detente and dialogue.

It is precisely under these circumstances that the South side, along with the United States, has persistently kicked off the "Team Spirit-89" joint military exercise to attack us. This is an adverse tide against North-South dialogue which shows an auspicious sign.

Amid the situation in which the enormous armed forces are rushing in, in the skies and on land and sea to attack us, how can we sit face to face and hold trustworthy dialogue?

Only when it is based on trust can dialogue be carried out successfully and bear good fruit. Without trust, dialogue would produce misunderstanding and distrust, and dialogue itself would be exploited as a stage of confrontation.

To hold trustworthy dialogue between the two sides, one side must not be suspected by the other side of being two-faced. If one side, while holding dialogue with a smiling face on the scene, commits an act that antagonizes the opposing side behind the scenes, dialogue itself would become meaningless.

Trustworthy dialogue cannot be held if it is participated in with the attitude of dialogue on the one hand and confrontation on the other, nor can a new phase of detente, peace, and reunification be opened. This is a stark fact which has been proven in the course of past North-South dialogue.

The head of our side stressed that to avoid repeatedly experiencing this bitter lesson, our side, in recent years alone, has put forth countless negotiation opportunities and peaceful initiatives to realize national reconciliation and unity, ease tension on the Korean peninsula, and guarantee peace. We have also made all possible efforts to realize them.

He further said: At the seventh round session for lawmakers from the two sides for a North-South joint parliamentary meeting late last year, our side also demanded that such acts as irritating the opposite side in the dialogue; worsening the atmosphere of dialogue; and aggravating misunderstanding, distrust, and confrontation not be committed. We also urged the discontinuation of the "Team Spirit-89" joint military exercise in order to smoothly hold North-South dialogue in various areas, including a North-South joint parliamentary meeting, and make progress in the dialogue in the new year.

Early this year, too, we proposed that the South side obviously express at least the attitude of not waging the "Team Spirit" joint military exercise this year as a measure to remove the state of North-South political and military confrontation.

In addition, our premier of the State Administration Council, through a letter dated 16 January to the South side, asked it to take appropriate measures not to conduct the "Team Spirit-89" joint military exercise this year.

If the South side were interested even a little in detente on the Korean peninsula, dialogue, and reunification, it should have taken the sincere measure of stopping the "Team Spirit-89" joint military exercise, which lays an obstacle to dialogue, in response to our sides' repeated demand.

In contrast to our sincere efforts to ease tension, the South side is pushing ahead with the "Team Spirit-89" joint military exercise along with the United States. This only shows that the South side views the war exercise with foreign forces as more important than peace negotiations with fellow countrymen and that it is interested not in reconciliation, peace, and reunification, but still in confrontation through power.

Continuing the "Team Spirit" joint military exercise as in the past is an insult to us who make sincere efforts for reconciliation, trust, dialogue, and peace between the North and the South.

Saying that the way of thinking that everything can be solved with power is anachronistic and that such an era no longer exists, the head of our side continued: The "Team Spirit" joint military exercise, which has been waged every year, is totally contrary to our nation's aspirations for peace in the country and reunification and also completely runs counter to the worldwide tenor of seeking detente and cooperation.



The "Team Spirit" joint military exercise does not benefit the North and the South, nor is it good for the United States.

We consider that under this situation, the United States and the South side should change their policy of confrontation into that of reconciliation and that it is time for them to stop the "Team Spirit" joint military exercise.

The South side should immediately stop the "Team Spirit-89" joint military exercise in keeping with our patient efforts for peace and with the tenor of the times, thus showing a shift in its active policy.

Today at these talks, we formally demand that the South side unconditionally suspend the "Team Spirit-89" joint military exercise, which strains the situation on the Korean peninsula to an extreme point, aggravating misunderstanding, mistrust and confrontation between the North and the South and blocks the path toward peaceful reunification.

Paek Nam-chun, head of our side, said: What I want to mention next in connection with the atmosphere of the dialogue is that your side has recently blocked press activities which introduce the current reality of the North.

He continued: To promote national reconciliation and unity and deepen trust, the North and the South should be correctly aware of and understand the realities of the other side. Under the circumstances in which the nation has been divided into the North and the South and has been deadlocked for a long period of time and in which the perceptions of the other side have been not a little distorted, correctly recognizing the other side is a manifestation of the natural demands as fellow countrymen and a very important question from the viewpoint of national reconciliation and unity. These just demands for being aware of each other have become an irresistible trend today.

A campaign for correctly recognizing the North has been waged among the South Korean people, and the activities of publishing and disseminating our publications have been conducted in a broad manner these days. This is a reflection of such a tenor of the times.

Recently, the South side's authorities have talked about the consciousness of national community on more than a few occasions and about opening the realities of the North to the public.

Regrettably, however, the South side's authorities in actual practice have openly oppressed the desire of the South Korean people to perceive the current realities of the North.

Some time ago, they confiscated many books, stopped their publication, and arrested those involved on charges of publishing and circulating those books concerning the North.

This is not in keeping with the trend of the present situation moving toward detente and also runs counter to your side's remarks. We consider that this is not a correct attitude toward the other side of dialogue nor is it just from a national standpoint.

Proceeding from the past anachronistic concept of dialogue, the South side's indiscriminate confiscation of books introducing the realities of the North cannot but be an act of running counter to the aspirations of fellow countrymen for national reconciliation and unity. This can also have no good result in making smooth progress in North-South dialogue amid the atmosphere of reconciliation.

As a partner in the dialogue, we consider that the South side should stop at once the unjust acts of confiscating publications on the northern half, stopping printing them, and carrying away those involved in the publication.

Paek Nam-chun, head of our side, stressed: The above noted demands of our side proceed from our sincere aspirations to make progress in the preliminary talks, realize high-level North-South political and military talks led by premiers at any cost, and spare and save scheduled North-South dialogue in various channels.

He expressed his expectation that the South side will not misunderstand these demands of our side but rather correctly understand them from the standpoint of reconciliation and unity.

#### 2d Round Slated for March

SK0802103389 *Pyongyang KCNA in English 1022 GMT 8 Feb 89*

[Text] Panmunjom February 8 (KCNA)—The first round of preliminary talks for North-South high-level political and military talks was held in the area of the South side at Panmunjom from 10:00 to 12:10 today.

At the meeting our side came up with a 16-point motion as regards working and procedural matters for North-South high-level political and military talks such as naming the talks North-South high-level political and military talks between the two sides headed by the premiers and putting on the agenda the item "on removing the present political and military confrontation between the north and the south."

Our side maintained that in order to bring the North-South high-level political and military talks to a success at an early date, it is necessary, above all, to create an atmosphere of peace, an atmosphere favorable to dialogue. In this regard it formally demanded that the south side unconditionally stop the "Team Spirit 89" joint military maneuvers which obstruct North-South dialogue and peaceful reunification of the country, pushing the situation on the Korean peninsula to an extreme pitch of strain and inciting misunderstanding, distrust and confrontation between the North and the South.

Expressing regret at the fact that the South side is suppressing the press activities for introducing the reality of the North as it is, our side said this proceeds from their past anachronistic idea of confrontation, and demanded that the South side immediately cease from this suppression.

The South side, however, failed to respond to our side's just demand that the "Team Spirit 89" joint military exercises be stopped to create an atmosphere of unity favourable for dialogue and showed an insincere attitude, persistently trying to justify the war game by describing it as "defensive" and so on.

Struck dumb by the just logic of our side, the South side attempted to save itself from the dilemma, even bringing forward the fiction of "threat of southward invasion".

As a result, the talks ended with no progress at all.

It was agreed upon to hold the second round of the preliminary talks for North-South high-level political and military talks at the "Tongil pavilion" in the area of our side on March 2.

#### **North Will Not Attend 10 February Meeting**

*SK0802080089 Pyongyang Domestic Service in Korean  
0600 GMT 8 Feb 89*

[Statement by spokesman of the North side's delegation to the meeting of the parliamentarians from the two sides to prepare for the North-South joint parliamentary meeting, issued in Pyongyang on 8 February—read by announcer]

[Text] As known already, the eighth meeting between the parliamentarians of two sides to prepare for the North-South joint parliamentary meeting is scheduled to be held at Panmunjom on 10 February.

Today the people at home and abroad hope that the meeting between the parliamentarians of the North and the South, which was repeated seven times since the meetings began last year, will proceed smoothly and make a great contribution to opening a new phase for national reconciliation, unity, and reunification.

However, the South Korean authorities are creating new grave obstacles to the North-South dialogue by again staging the "Team Spirit-89" joint military exercise together with the United States.

Proceeding from sheer desire to prevent vicissitudes about the meeting between the parliamentarians of the North and the South, which is being held after a long time, we advised the South side many times to discontinue the "Team Spirit-89" joint military exercise.

Formally putting forth the issue of discontinuing the "Team Spirit-89" joint military exercise to the South side at the seventh meeting held at the end of last year,

we strongly demanded that this issue be designated as the first agenda item at the meeting between the North and South's parliamentary delegates.

In particular, at the beginning of January, we urged the South Korean side to not stage the "Team Spirit" joint military exercise, at least this year, if it is ready to change its policy in pursuance of national unity and truly not pursue confrontation. On 12 January, when the "Team Spirit-89" joint military exercise was to be staged, we again demanded the unconditional suspension of the exercise by publishing a statement by the head of the North's delegation to the parliamentarians' meeting.

However, the South Korean authorities began staging the "Team Spirit-89" joint military exercise along with the United States disregarding our repeated just advice and demands.

This clearly shows that the South Korean authorities, although they are giving lip-service to dialogue and detente, are in actuality pursuing confrontation and war, and they pay greater attention to the military exercise with foreign troops to annihilate the fellow countrymen than to dialogue with the same people for national unity.

Under the condition in which the South Korean side is unilaterally staging the "Team Spirit-89" joint military exercise, even to such a degree as to disregard our side's proposal for designating the issue of discontinuing the "Team Spirit-89" joint military exercise as an agenda item at the meeting between the parliamentary delegations, the eighth meeting between the parliamentarians from the North and the South as scheduled appears to be difficult.

Therefore, we recognize that our side's delegation cannot go to the meeting at Panmunjom on the day of the meeting and thus the eighth meeting between the parliamentarians of the North and the South cannot but inevitably be postponed until after the end of the "Team Spirit-89" joint military exercise.

The South Korean side, which spoiled the atmosphere of dialogue by staging the "Team Spirit-89" joint military exercise along with the United States, should be held totally responsible for the postponement of the eighth meeting between the parliamentarians from the North and the South, not its being held as scheduled.

[Dated] 8 February 1989, Pyongyang

#### **U.S., South Blamed for Postponement**

*SK0802102789 Pyongyang KCNA in English 1015 GMT  
8 Feb 89*

["The United States and South Korean Side Should Be Held Entirely Responsible for the Postponement of Eighth Meeting of North and South Parliamentarians, Declares Spokesman for North Side's Delegation"—KCNA headline]

[Text] Pyongyang February 8 (KCNA)—The spokesman for the North side's delegation to the meeting of parliamentarians of the two sides for the preparation of North-South joint parliamentary meeting issued a statement today, which declares:



The South Korean side which has spoilt the atmosphere of dialogue by forcing the "Team Spirit 89" joint military exercises with the United States must be held entirely responsible for the postponement of the eighth meeting of parliamentarians of the North and the South which was to be held at Panmunjom on February 10.

Recalling that we had advised the South side several times to discontinue the "Team Spirit" joint maneuvers, out of the desire to see that the meeting of parliamentarians of the North and the South arranged with so much efforts would not undergo turns and twists again, the spokesman says:

Especially, early in January, we urged the South Korean side to clearly manifest, at least, its willingness not to stage the "Team Spirit" joint military exercises this year, if it was truly ready for a policy change toward national unity, not pursuing confrontation, and on January 12, when the exercises were on the order of the day, again demanded their unconditional stop through a statement of the head of the delegation of the North side to the parliamentary meeting.

The South Korean authorities, however, chose to stage the "Team Spirit 89" joint military exercises together with the United States, ignoring our repeated just advices and demand.

This indicates that the South Korean authorities, for all their loud talk about "dialogue" and "detente," are actually seeking confrontation and war and are more interested in military maneuvers with foreign troops to exterminate fellow countrymen than dialogue with compatriots for national unity.

It is hard to hold the eighth meeting of parliamentarians of the North and the South as scheduled, since the South Korean side persistently launched the "Team Spirit 89" joint maneuvers unilaterally, ignoring our proposal to put the problem of stopping the "Team Spirit" on the agenda of the meeting of parliamentary representatives. Therefore, the delegation of our side thinks it inevitable to put off the eighth meeting of the parliamentarians of the North and the South scheduled at Panmunjom till after the "Team Spirit 89" joint military exercises end.

#### **Red Cross Chairman Sends Message on Fishermen**

SK0402052889 *Pyongyang KCNA in English*  
0521 GMT 4 Feb 89

[Text] Pyongyang February 4 (KCNA)—Son Song-pil, chairman of the Central Committee of the Red Cross Society of the Democratic People's Republic of Korea, today sent a telephone message to the president of the South Korean Red Cross.

The message says:

I am told that a competent organ is investigating the crewmen of the unidentified ships of your side which were apprehended while illegally intruding into the territorial waters of our side on January 28.

The competent organ of our side hopes that your side will send a list of the crewmen who went aboard "Taeyang 37" and "Taeyang 38" as well as materials showing their career.

I hope that your side will express understanding of the demand of the competent organ of our side and send us necessary materials as soon as possible.

#### **Unification Committee Denies Contact With South**

SK0702223889 *Pyongyang KCNA in English*  
1546 GMT 7 Feb 89

[Text] Pyongyang February 7 (KCNA)—A spokesman of the Committee for the Peaceful Reunification of the Fatherland, [CPRF] answering a KCNA reporter's question concerning South Korean radio reports that there was a behind-the-scene contact between the North and the South recently for "North-South summit talks," said:

South Korean radios reported recently that "a behind-the-scene" contact between high-ranking authorities took place in Singapore for "North-South summit talks" and claimed this was confirmed by a reliable source of the "government." This is a groundless and fabricated story.

The spokesman of the Committee for the Peaceful Reunification of the Fatherland, clarifying that there has never been any behind-the-scene contact for "summit talks" between the North and the South, noted that he cannot understand why the South Korean authorities are spreading such false reports.

#### **Student Union Demands Halt to 'Team Spirit'**

SK0802104789 *Pyongyang KCNA in English* 1037 GMT  
8 Feb 89

[Text] Pyongyang February 8 (KCNA)—The Secretariat of the International Union of Students [IUS] issued a statement on January 31 demanding that the U.S. imperialists and the South Korean authorities stop the provocative "Team Spirit 89" joint military maneuvers and create an atmosphere favorable to North-South student talks.

Noting that the 13th World Festival of Youth and Students to be held in Pyongyang will be an occasion for many youth and students from all parts of the world to gather and discuss matters about peace, friendship and cooperation and, at the same time, offer an opportunity for the youth and students in the North and the South of Korea, who have been living in separation for more than 40 years, to meet and swap their desires for peace and national reunification, the statement said:

The "Team Spirit 89" joint military maneuvers is a grave challenge to the efforts of the Korean students and people for peace and national reunification and a criminal act threatening peace and security in this region.

The IUS Secretariat demands that the United States and the South Korean authorities immediately stop the "Team Spirit 89" joint military maneuvers and create an atmosphere favorable to the successful holding of North-South dialogue, North-South student talks to enable South Korean students to participate in the 13th World Festival of Youth and Students in particular.

At the same time, the IUS Secretariat calls upon the students organizations and friendship organizations all over the world and all the non-governmental international organizations to carry on brisk activities to express solidarity with the Korean students and people in their struggle for peace in the country and its reunification.

**South Response to Airing North Film Denounced**  
*SK0702102189 Pyongyang KCNA in English 1004 GMT  
7 Feb 89*

["Fit of Criminals Touched to the Quick"—KCNA headline]

[Text] Pyongyang February 7 (KCNA)—The No Tae-u fascist clique is feeling uneasy after the TV broadcasting of a program revealing the truth behind the Kwangju incident, according to a report. The puppet Ministry of Culture and Information, the puppet Ministry of Defense and the Democratic Justice Party are making a fuss, publishing an "open letter," "statement" and a "commentary" on the TV program "Mother's Song" of the South Korean Munhwa Broadcasting Corporation (MBC) February 3, which dug up some truth behind the Kwangju bloodbath through a TV appearance of priest Cho of the Kyerim Cathedral in Kwangju and others.

The puppets unleashed an unreasonable tirade about "fairness" objectiveness, "charging that the TV broadcasting program represented a "unilateral view" which "one-sidedly brought into relief the stand of the victims only" and "ignored the assertion of the other side."

The tirade is no more than a frenzy of those criminals touched to the quick.

The fuss fully reveals the despicable sight of the No Tae-u group, an accomplice in the Kwangju massacre.

**South Moves Against Student Participation**  
*SK0702053589 Pyongyang KCNA in English 0523 GMT  
7 Feb 89*

[Text] Pyongyang February 7 (KCNA)—NODONG SINMUN today comes out with a commentary captioned "The Road to the Festival Must Be Opened."

The news analyst says:

As is known, the Korean Preparatory Committee for the 13th World Festival of Youth and Students and the Korean Students Committee sent a letter to the South Korean "National Council of student Representatives" ("Chondaehyop"), inviting them to the festival. "Chondaehyop" showed a positive response to this and asked the South Korean Red Cross to convey to the North side a reply letter addressed to the Korean Students Committee manifesting their intention to participate in the festival.

It is only too natural that students in the North and the South of Korea should participate together in the world festival of youth and students with one mind and purpose.

Yet, the puppets, with a quibble about the nature of the festival, let loose a cock-and-bull story that South Korean students "may play into the hand" of someone and there is a "great burden of danger." And they framed up a "government"-controlled organization under "non-governmental" mask called Council for the Promotion of the Exchange of Student Visits Between the North and the South, claiming that the participation of students in the festival should be dealt with by it.

This is nothing but a revelation of their intention to block the road of students to the North again just as they obstructed the North-South students talks last year.

The No Tae-u group's criminal attempts at blocking the righteous trip of students to the North for participation in the Pyongyang festival clearly show that they are, indeed, a group of anti-reunification, anti-peace traitors to the nation who do not like to see students in the North and the South contact each other and sit together in pursuit of reconciliation and unity, but seek only confrontation and division, giving no thought to peace on the Korean peninsula, in an effort to leave South Korean indefinitely to U.S. imperialism as its colony and military base, a nuclear forward base.

If they are truly interested in the question of students participating in the Pyongyang festival, the South Korean authorities must stop obstructing it and deliver the reply letter of "Chondaehyop" to our side at an early date, as demanded by them, and open the road to the festival for them.

**Kim Il-song Works Published in South**  
*SK0702230989 Pyongyang KCNA in English 1520 GMT  
7 Feb 89*

[Text] Pyongyang February 7 (KCNA)—Classical works of the great leader President Kim Il-song and works of dear Comrade Kim Chong-il were recently published and carried in newspapers and magazines as the originals in South Korea.

The Taedong Publishing House brought out the "Selected Works of Kim Il-song" carrying speeches, reports and treatises authored by the great leader from 1930 to 1945 and distributed them to bookshops in Seoul some time ago.

Earlier, the Chindalrae Publishing House in Pusan issued "Socialist Constitution of the Democratic People's Republic of Korea," a work of the great leader, and "on the Chuche Idea," a work of dear Comrade Kim Chong-il. and carried in the January, 1989, issue of SINDONGA, a monthly magazine, were "Historical Experience of Building the Workers' Party of Korea," "The Political Programme of the Government of the Democratic People's Republic of Korea," "Every Effort for the Building of a New, Democratic Korea" and other immortal classical works of the great leader. Leading dailies were vying with each other in introducing his New Year address for 1989.

Books of the glorious and brilliant revolutionary activities of President Kim Il-song, the founder of the chuche idea, have come off the press and publications came out with articles introducing the history of his revolutionary activities.

A publishing house in Seoul recently brought out more than 10,000 copies, under the title "Biography of Kim Il-song," of "Biography of the Great Leader Comrade Kim Il-song" published by the Workers' Party of Korea Publishing House and the Taedong Publishing House brought out "History of the Anti-Japanese Armed Struggle" the content of which is the revolutionary activities of the great leader in the period of the anti-Japanese armed struggle.

Also carried in "IDAE HAKBO," "YONSEI-CHUNCHU," "CHONDAE SINMUN," "CHODAE SINMUN" and other university gazettes of Seoul and local areas were such articles explaining the chuche idea as "Chuche Idea of Kim Il-song," "Man-Centred Philosophical Principle and Review of Kim Il-song's Chuche Idea," "Materialistic Dialectics and the Chuche Idea," "What Is the Chuche Idea of Kim Il-song?" and "Anti-Japanese Armed Struggle, the Lawful Development of the National Liberation Movement".

"Sea of Blood," "the Fate of A Self-Defence Corps Man" and "the Flower Girl", full-length novels adapted from the revolutionary dramas "Sea of Blood" and "The Fate of A Self-Defence Corps Man" and the revolutionary opera "The Flower Girl," immortal classical masterpieces, and long-novels "The River Amnok" and "Spring Thunder" of the cycle of novels "Immortal History" and many other literary and art books have been published one after another and read widely by students and people from all walks of life.

CHUNGANG ILBO said that no sooner had "Spring Thunder" and "The River Amnok", the novels worshipping president Kim Il-song and a book of 11 articles

praising President Kim Il-song including "His Warm Love for the People" been sold at the university bookstores than their sequels recently appeared and that a whirlwind has risen in connection with the novels.

Besides, travel notes on the northern half of Korea by foreigners and overseas compatriots have been published and disseminated in succession and CHUNGANG ILBO, CHOSON ILBO, TONG-A ILBO, HANGYORE SINMUN, PYONGHWA SINMUN, KWANGJU ILBO and other newspapers in Seoul and local areas are also vying with each other in serialising the pictures and articles introducing the development of the northern half of Korea where the chuche idea has been brilliantly realized.

The author of an article contributed to PYONGHWA SINMUN of South Korea wrote that the reality of the northern half of Korea offers a "very natural conclusion" that the chuche idea is a "tracting engine" which has built a paradise on debris", expressing sympathy with the immortal chuche idea.

Such developments in South Korea clearly show that the immortal chuche idea founded by the great leader president Kim Il-song and developed and enriched by dear comrade Kim Chong-il has grasped the hearts of broad segments of the South Korean people and that it is an irresistible trend of the times in South Korea today to live and fight under the banner of chuche.

#### **Robotization, Computerization Accelerated**

SK0702154189 Pyongyang KCNA in English 1507 GMT  
7 Feb 89

[Text] Pyongyang February 7 (KCNA)—The Hwanghae Iron and Steel Complex, a leading steel producer, has realized automation, robotisation and computerization in various processes of production and management activities.

Recently, it has drawn up tens of new programs and produced electronic elements, automation gauges and devices three times those in the same period last year and thereby automated more than 10 technical processes in a comprehensive way.

Workers and technicians there have put different processes of steel production on comprehensive automation lines by manufacturing robot control devices, semiconductor heat alarming machine, large number indicator, automatic thermometer for furnace and other electronic elements, automation gauges and devices. And over 10 processes have been computerized and some production processes of tools been robotized.

As a result, all the elements and technical indices of coke production are analyzed by computer at the coking battery to ensure the production of fuel and gas on a high level.



The light electrical parts store house introduced the computerization system to carry on the equipment management in a well-knitted way and the general transportation shop put the transport control on scientific lines helpful to the increased production of steel.

**Gas Heat Introduced in Rural Community**  
*SK0502085889 Pyongyang KCNA in English 0843 GMT 5 Feb 89*

[Text] Pyongyang February 5 (KCNA)—The Samsok Cooperative Farm in Pyongyang has introduced a central heating system and gas heating by methane gas.

The great leader President Kim Il-song went out to the farm on February 2 to acquaint himself with the structure and mechanism of the all-purpose boiler for the rural community and the methane gas production facilities which were operating there and expressed deep satisfaction over them. He taught that they should be actively generalised in all rural communities.

The all-purpose boiler contrived by scientists and technicians of the institute of heat engineering under the Academy of Sciences is heated with roots of maize stalks, chaff of rice, coppice-wood, tree roots and other fuel abundant in the rural areas.

This is 0.4-ton water boiler.

The daily capacity of the gas production facilities is 150 cubic metres.

Two persons operate all the facilities.

**Editorial Calls for Advance in Socialism**  
*SK0602084189 Pyongyang KCNA in English 0821 GMT 6 Feb 89*

[Text] Pyongyang February 6 (KCNA)—NODONG SIN-MUN today calls upon the entire party members and working people to thoroughly apply the *chuche* idea and the spirit of continuous revolution under the leadership of the party and the leader and thereby effect a greater upswing in socialist construction and continue to energetically hasten the march to accomplish the *chuche* cause.

The editorial titled "Let Us Dynamically Push Ahead With Grand March of Socialism Under Our Party's Banner of Continuous Revolution" says:

The great leader Comrade Kim Il-song said:

"This year we must carry out the honourable task of giving full play to the advantages of our socialist system by keeping up our high-pitched revolutionary spirit and thus promoting more dynamically the three revolutions—the ideological, technical and cultural—and forcefully accelerating the grand forward movement of socialism."

To march under our party's banner of continuous revolution is an important demand for keeping up the heightened revolutionary spirit of the masses and thus putting spurs on the grand forward movement of socialism.

If we give rise to a sustained revolutionary upsurge by keeping in high tide the spirit and seething enthusiasm of the masses who rose up in response to the call of the party, we can upgrade the machine tool industry and electronics and automation industries, make a revolution in light industry, accelerate the fulfilment of the tasks set in the rural theses and the construction of major objects and carry through tasks for this year including the successful preparations for the 13th World Festival of Youth and Students and resolve any problem arising in carrying out the Third Seven-Year Plan with credit.

Pushing ahead with the grand forward movement under the unfurled banner of continuous revolution means a powerful revolutionary offensive to frustrate the counter-revolutionary offensive of the enemy.

We can deal a decisive blow at the anti-DPRK, anti-socialist moves of the enemy at the present juncture by constantly effecting a revolutionary upswing, while strengthening our revolutionary ranks. Since the target of the revolution has not changed and the enemy is steadily intensifying its desperate offensive, we should hold ever higher the banner of revolution and humble the U.S. imperialists, the enemy, by a force of unity.

What is important in continuously pressing on the grand socialist onward movement is to renew the noble revolutionary spirit and readiness to carry on the revolution to the end under the leadership of the party and for the whole party, the whole country and the entire people to act as one man under the guidance of the party centre and thoroughly realize the party's ideas, remaining loyal to its leadership, the editorial says.

Recalling that our party, directing the heroic struggle of all people to accomplish the cause of *chuche*, put forward the revolutionary idea of following up the 200-day campaign with a 2,000-day, a 20,000-day campaign, the editorial calls upon the entire party members and working people to give a fuller scope to this noble revolutionary spirit in the grand onward movement this year.

The editorial further says:

All the party members and working people should possess the unshakable political creed that they know no one but the party, deeply trusting only the party and the leader, no matter how far the revolutionary road may be and whatever storm may arise. And they should share their destiny with the party to the end, having the party and the leader forever at the head of the revolution. To this end, everyone should have deep grasps on the high

leading position and guiding role of our party in organising all victories and its immeasurable greatness and imperishable feats and learn from the noble revolutionary traits of the party, with unbounded fidelity to the cause of *chuche*.

As the situation becomes more complex and the revolutionary tasks become heavier, we should direct utmost efforts to strengthening the single-hearted unity of our people who are firmly rallied around the party Central Committee and unite ourselves ever closer behind the party and the leader with the idea and will of *chuche* and moral obligation.

### Liberal Democratic System Criticized

SK0602100689 *Pyongyang Domestic Service in Korean*  
2120 GMT 29 JAN 89

[NODONG SINMUN 30 January special article: "The Liberal Democratic System Is an Anti-independent, Antidemocratic, and Antireunification One"]

[Text] Currently the South Korean military fascist ring is raving that they will not leave all the patriotic and democratic forces opposed to the aggression of foreign forces and military dictatorial politics and favoring national reunification alone, but will strongly crack down upon them, branding all of them as activist forces that threaten the liberal democratic system and as subversive forces opposed to the system.

The puppets are trying to rationalize their fascist suppressive offensive, raving that the leftist forces are penetrating the various groups in South Korean society, such as campuses and dissident groups, and that they are acting to reject and overthrow the liberal democratic system, thus putting the liberal democratic system in jeopardy.

If these forces have struck their roots in all fields of South Korean social and political life to the extent that the military fascists are raising the issue of the theory that the leftist forces are spreading, this only reveals the evidence that the leftist forces are getting nationwide support from the popular masses, while military fascist power, the so-called liberal democratic system, is thoroughly rejected by the people.

What on earth is this liberal democratic system that the No Tae-u clique is trying to safeguard? From the time of the 15 August 1945 liberation until the present, South Korea has suffered military dictatorial rule for 28 years, following the age of the 13-year police state rule that followed the 3-year-U.S. military rule.

Under this system for nearly 50 continuous years, never once have the South Korean people truly had freedom and democratic rights. Military politics, police dictatorship, and military dictatorship have gone on for almost 40 years. And nothing has changed in South Korea even

after the 29 June declaration, the so-called democratization pledge, was issued. Thus, is there any room for one to mention democracy and freedom in South Korea?

All the successive puppet regimes established by the U.S. imperialists' were, in themselves, dummy regimes created by the U.S. imperialists' neocolonialist policy. The regimes were nothing but camouflage designed to ornament colonial South Korea as if it were an independent country. Therefore, under such colonial puppet regimes, it is impossible to think that the working people are exercising their sovereignty and enjoying any freedom and democracy at all.

The great leader Comrade Kim Il-song has taught: A bourgeois democracy gives the millionaires the freedom of exploiting, plundering, and suppressing the working people to the full and making millionaires rich, but the working popular masses are only given the freedom to starve to death.

In a colonial exploitation society like South Korea, the working popular masses do not become the masters of the society but become the targets of exploitation and suppression, because they do not exercise state sovereignty and do not own the means of production so that for all they get out of life they may as well be dead. Everything is at the mercy of money, and the personality of man is valued by money and power.

The working popular masses who do not have money and power are used like horses and cows. If there is a freedom in South Korea, it is the freedom for the small number of the privileged classes, who have much money and power, to suppress and exploit the working popular masses, and the freedom for the working people to be suppressed, harassed, and starved to death.

Political rights are not given to the majority of working people, who go without sovereignty and the means of production; the working people are only given the opportunity to be exploited economically, treated contemptuously, and to die in South Korea, the society of the so-called liberal democratic system, while only the minority privileged classes commit all manner of evil.

An assembly and demonstrations in a colonial society like South Korea are means for representing the intentions of the privileged classes, intentions which the people have no choice but to undertake, in order to guarantee the interests of the privileged.

Nonetheless, after the No Tae-u ring made a pledge for democratization, a large number of demonstrators, yielding blood with their hands manacled, have been thrown into jails in violation of the Law on Assembly and Demonstration in South Korea.



In the current situation in South Korea, where the popular masses are deprived of authorized basic human rights, the Law on Assembly and Demonstration in itself brings to light what liberal democracy is.

The danger South Korea is faced with is not a threat to the nonexistent freedom and democracy but the danger represented by the system of colonial military dictatorship which has been maintained by military fascist forces under the patronage of the U.S. imperialists. As is known, the South Korean military dictatorial system is the most arrogant and barbarous reactionary ruling system ever seen in history. It was fabricated by the U.S. imperialists in order to rationalize military occupation in South Korea, and political domination and economic subjugation against South Korea.

Through the military dictatorial system, the major aims sought by the U.S. imperialists and their stooges are to eliminate all social and political factors which stand in the way of their colonial rule and to implement the policy of war and division. To this end they have fabricated various fascist evil laws, while increasing suppressive organs on a full scale to cover the whole of South Korea with the military, the police, and the intelligence agency and lock society up with a fascist iron key. Their fascist suppression is aimed at stripping the people of all democratic freedom and rights and oppressing the patriotic democratic forces.

The U.S. imperialists and the South Korean puppets have made crafty and barbarous use of anticommunism to rationalize their subjugation policy over the colony and the military fascist dictatorship and to suppress the movement for independence, democracy, and reunification.

The aim in strengthening the maneuvers of anticommunism and division by the U.S. imperialists and puppets is to prevent our people's reunification cause and to maintain their colonial fascist rule by obstructing the great chuche idea, which has had an impact on the South Korean people, and obstructing the influence of the socialist system founded in the northern half of the Republic.

These facts show that the South Korean colonial military dictatorial system, the liberal democratic system, is an anti-independent subjugation system formed in order to trample under national sovereignty and to rationalize the U.S. imperialists and their plunder, an anti-democratic fascist system formed in order to eliminate basic democratic freedoms and the rights of the people without fail. And also, this is anti-reunification treason against the country and the people with the aim of suppressing and plundering the working people to an unlimited extent and perpetuating national division and maintaining colonial fascist rule under the slogan of anti-communism.

As we judge from the No Tae-u ring's interrupting the spread of the chuche idea under the pretext of safeguarding the system, we know that the so-called liberal democratic system is an anti-independent, anti-democratic, and anti-reunification system.

The military fascist ring regards the books introducing the situation of the northern half of the republic as staining the so-called consciousness structure of South Korean liberal democracy. This shows that puppets look upon the issue of the spread of the chuche idea as that of a confrontation between the communist idea of the North and the capitalist idea of the South, not of simple press regulation.

The immortal chuche idea, centering on man as the center of the world, most scientifically elucidates the road of blazing the destiny of man, based on philosophical principles illuminating the position and role of people in the world.

The chuche idea has become the basis for the liberation of man and nations among the people of the world. It is only too natural for the South Korean people, struggling to regain the destiny of man and national sovereignty, true democracy, and national reunification, to learn to follow the chuche idea and to want to know the situation of the northern half of the Republic. And these are inevitable trends in historical development that no one can obstruct.

The South Korean rulers' maneuvers to interrupt the spread of the chuche idea among the South Korean people are anti-democratic, anti-national, and anti-reunification crimes to trample down the desires and aspirations of the popular masses who want to live independently and creatively, to gain profits for the United States in collusion with foreign forces, and to maintain the military fascist dictatorship by putting South Korea under the U.S. colonial domination which obstructs national reunification.

The confrontation between the popular masses who seek the road of struggle and study the chuche idea and the military fascists who oppress them under the slogan of safeguarding the liberal system means, in the long run, the confrontation between democracy and fascism, between reunification and division, and between patriotism and treason against the country and the people. Therefore, the patriotic democratic forces of South Korea aspiring for independence, democracy, and reunification should beware of the fact that the No Tae-u military fascist elements block the propagation of the chuche idea, raving about defending the liberal democratic system, and harbor hostility against fellow countrymen. The patriotic forces should remove those who indulge in treachery, fascism, and division under the signboard of defending the constitutional system with the hot wind of the anti-U.S. cause for independence and reunification.

Although the No Tae-u ring is trying to maintain dictatorial power, to suppress and to eliminate patriotic democratic forces by strengthening military fascist despotism under the slogan of safeguarding the liberal system, this is a senseless absurd dream.

The more the fascist suppressive military fascist ring attempts to strengthen itself, the stronger the resistance it will face from the popular masses, the subject of history and reunification, and No Tae-u will never escape from the same disgraceful and miserable destiny his predecessors faced.

### South Korea

**Transfer of Military Control Advocated**  
*SK0502002689 Seoul HANGYORE SINMUN in Korean 3 Feb 89 p 6*

[Editorial: "The Prerogative of Operational Control Over the South Korean Army Should Be Handed Over to the South Korean Army. The United States Has Been Infringing Upon Our Sovereignty Under the Pretext of the 'Nuclear Umbrella'"]

[Text] One day in July 1950, MacArthur, then commander in chief of the UN Command and commander of the U.S. forces in Korea, sent to then President Syngman Rhee a letter that said in part: "It is great honor for me to exercise the prerogative of operational control over the brave South Korean Army as long as a state of war continues on the Korean peninsula." This was the historic occasion that the U.S. forces first "confiscated" the right of operational control over the South Korean Army.

Since then, the U.S. forces stationed in South Korea have been known to perform three duties in general. The first duty is to block a "southward invasion" by the North Korean Army, the second duty is to deter the South Korean Army from "invading the North," and the third duty is to check possible military activity of the South Korean Army against the South Korean people. However, the U.S. forces failed to perform the third duty in particular. In other words, as seen in the 12 December 1979 military coup and the resistance movement in Kwangju in 1980, the antidemocratic military action perpetrated by the South Korean Army during those periods was inspired by the United States.

The relations between North and South Korea are changing very rapidly. Such a rapid change is a result of our masses' national movement for democracy that has been constantly waged since national liberation on the 15 August 1945. The masses' burning will for national reunification has enabled us today to freely debate reunification, which was inconceivable in the past. The government said recently that it will soon announce a new "special declaration on North-South relations." It is said that the main content of the new "special declaration" will be the withdrawal of U.S. nuclear weapons

deployed in South Korea and the transfer of the prerogative of operational control over the South Korean Army to the South Korean side. (HANGYORE SINMUN dated 31 January) It is also said that the government is considering the revision of the current organizational structure of the ROK-U.S. Combined Forces Command into an organizational structure in which the commander of the ground forces comes from the South Korean side and the commanders of the naval and air forces come from the U.S. side.

Replacing the armistice agreement with a peace agreement is the most basic precondition for reunification. Therefore, the U.S. forces' "monopolistic" exercise of the prerogative of operational control over the South Korean Army, which has been enforced on the assumption that the Korean peninsula is in a state of war, should be liquidated without fail. In particular, at a time when the government is now seriously considering the problem of withdrawing nuclear weapons from the Korean peninsula, the arrogant U.S. attitude of claiming that "as long as South Korea is under the U.S. nuclear umbrella, the prerogative of operational control will not be completely transferred to the South Korean Army" lacks persuasive power.

South Korea's preparedness for its "independent national defense" is not established by military concern or aid from the United States; it should be deepened according to the principle of the historic task of achieving national reunification.

If South Korea is an independent country, the exercise of the prerogative of operational control over the South Korean Army should be enforced by the South Korean Army.

**Preliminary Meeting for Talks With North Held**  
*SK0802055889 Seoul Domestic Service in Korean 0200 GMT 8 Feb 89*

[Excerpt] A preliminary meeting for talks between the high-level persons in authority of the North and the South is being held at the Peace House in Panmunjom and began at 1000 this morning. At the meeting both sides are discussing the name of the full-dress talks, the composition of delegations, and agenda items.

In a keynote speech at the meeting, Song Han-ho, senior delegate of our side, stressed that full-dress talks between the high-level persons in authority of the North and the South should not be limited to discussions of political and military issues. Rather, they should discuss various pending issues, including mutual exchange and cooperation between the North and the South and the establishment of trust between them. Because the talks are to be attended by high-level persons in authority of the North and the South, including premiers, we proposed that the full-dress talks be termed as talks between

high-level persons in authority of the North and the South, instead of North-South high-level political and military talks as proposed by the North Korean side.

Song Han-ho, senior delegate of our side, proposed that the delegation of each side to the full-dress talks be composed of seven persons, including an army officer at the chief of staff level, with the premier as senior delegate; 40 in the entourage; and 40 journalists.

Senior delegate Song Han-ho proposed that full-dress talks be held within 1 month after the preliminary meeting, that they be held in Seoul and Pyongyang alternately, and that the first round of full-dress talks be held in Seoul and the second round be held in Pyongyang. He also proposed that the number of agenda items for the full-dress talks be six. These would include suspension of slander and defamation against each other, mutual respect and noninterference, realization of multilateral exchange and cooperation, the installation of a direct telephone line between the military persons in authority of the North and the South in an effort to enhance military trust between them, demilitarization of the Demilitarized Zone and its peaceful utilization, exchange of military personnel, notification in advance of a large-scale military exercise, the invitation of persons of the other side to observe military exercises, holding of North-South summit talks, and other issues proposed by both sides. Senior delegate Song said that full-dress talks should be closed ones in principle but can be opened if both sides agree. In connection with the issue of protocol, senior delegate Song suggested that the issue be discussed separately between working-level delegates of both sides.

Senior delegate Song also proposed that the issue of recording talks, the issue of procedures for mutual visits, the issue of personal security, and other procedures for steering the talks be observed according to the precedents of the North-South dialogue in the past. [passage omitted]

#### Further Report

SK0802080789 Seoul Domestic Service in Korean  
0500 GMT 8 Feb 89

[Text] The first preliminary meeting for talks between the high-level persons in authority of the North and the South held in Panmunjom this morning ended without bearing a good result because of the sharp differences in views on the "Team Spirit" exercise. The two sides agreed to hold the second preliminary meeting on 2 March. Station reporter Yi Yong-chae reports on today's preliminary meeting:

[Begin recording] Today's preliminary meeting produced no progress in adopting agenda items to be discussed at full-dress talks except for the delivery of the keynote speeches of senior delegates of the two sides. In his keynote speech Paek Nam-chun, senior delegate of the North Korean side, demanded that the "Team Spirit" exercise be immediately suspended, claiming

that the exercise has obstructed peace and reunification on the Korean peninsula. Even after the keynote speech Paek Nam-chun continued to denounce the exercise, saying that without a responsible response from the South Korean side to his demand for suspending the exercise he cannot continue the meeting. As a result, the two sides ended today's preliminary meeting without making any progress.

In his keynote speech Song Han-ho, senior delegate of our side, proposed that the name of the full-dress talks be: talks between high-level persons in authority of the North and the South, not: North-South high-level political and military talks as proposed by the North Korean side, so that the full-dress talks can discuss not only political and military issues, but also various pending issues between the North and the South, including their mutual exchange and cooperation and establishment of trust. Senior delegate Song also proposed that the delegation of each side to the full-dress talks be composed of seven persons, including an army officer at the chief of staff level, with the premier as senior delegate, and that it be accompanied by a 40-member entourage and 50 journalists. He proposed that full-dress talks be held in Seoul and Pyongyang alternately and that the first round of full-dress talks be held in Seoul.

Our side put forth as an agenda for the full-dress talks a six-point proposal which included the suspension of slander and defamation against each other, the realization of multilateral exchange and cooperation between the North and the South, and the convocation of North-South summit talks. In particular, as a concrete measure to establish trust between the North and the South in the military field our side proposed to install a direct telephone between the high-level persons in authority of the North and the South, to demilitarize the Demilitarized Zone, to realize its peaceful utilization, and to exchange military personnel between the North and the South.

In his keynote speech Paek Nam-chun, senior delegate of the North Korean side, proposed that the name of the full-dress talks be North-South high-level political and military talks as insisted thus far and that agenda items be those items which serve to eliminate the present political and military confrontation between the North and the South.

Paek Nam-chun proposed that full-dress talks be held within 1 month after ending the preliminary meeting and that the first round of full-dress talks be held in Pyongyang. Thus, the North Korean side expressed a different stand with regard to the sequence of holding full-dress talks. As to the composition of the delegations to full-dress talks, the North Korean side proposed that each side form a seven-man delegation led by the premier and include two army officers. Thus, the North Korean side showed a stand similar to our stand. However, the North Korean side insisted in principle on holding full-dress



talks in the form of an open session. Thus, it expressed a different opinion from our side which proposed to hold full-dress talks in the form of a closed session.

The North Korean side proposed that both sides exchange premier-issued memoranda for guaranteeing the personal safety of those attending talks and that those attending talks carry their identification cards issued by their respective premier.

As to our side's proposal for installing a direct telephone between the North and the South, the North Korean side proposed to use the direct telephone line which has already been installed between Seoul and Pyongyang. It also proposed that the duration of talks be 3 nights and 4 days and that all conveniences for visitors be provided by the inviting side.

In his keynote speech Paek Nam-chun, the senior delegate of the North Korean side, demanded an unconditional suspension of the "Team Spirit" exercise. To this, our senior delegate stressed that we will never use armed force first and that the "Team Spirit" exercise is a defensive exercise, not for a preemptive attack. [end recording]

#### Hope for Change 'Dashed'

SK0802084989 Seoul YONHAP in English 0813 GMT  
8 Feb 89

[By Hong Sang-pyo]

[Text] Panmunjom, Korea, Feb. 8 (YONHAP)—Hopes for a change in North Korea's attitude were dashed Wednesday when a two-hour inter-Korean contact ended in acrimony over an annual South Korean-U.S. military exercise.

After spending most of the meeting listening to complaints about a ban on pro-Pyongyang books and demands to cancel the "Team Spirit" exercise, the delegations from South and North Korea agreed, however, to hold a second round of talks March 2.

The preliminary contact to prepare for a prime ministers meeting, held at the Peace House on the southern side of the truce village of Panmunjom, were attended by five-member delegations from each side headed by a vice minister-level official.

It was intended to be the first discussion of military and political issues from officials of Seoul and Pyongyang since the two sides suspended their coordinating committee in 1972.

North Korea's chief delegate, Paek Nam-chun, charged that the "Team Spirit" exercise could heighten tension on the peninsula, deepen mistrust and misunderstanding and step up confrontation between the divided halves of Korea and demanded that it therefore be halted immediately and unconditionally.

The North Korean delegate called South-North dialogue and "Team Spirit" "incompatible."

He also urged the South to stop suppressing the publication of pro-North Korea books.

South Korea's chief delegate, Vice Unification Minister Song Han-ho, rejected Paek's charges. He said "Team Spirit" is a defensive military drill and has no relation to South-North dialogue and denounced the North Korean demand on the publication matter is interference in internal matters.

Song told the northern delegates that South Korea is willing to allow a North Korean delegation to observe "Team Spirit", suggesting that the issue be discussed in the proposed prime minister-level talks.

Paek belligerently insisted, however, that he could not continue the discussion unless Song clarified Seoul's position on "Team Spirit", forcing the meeting to an abrupt end.

North Korea, despite unprecedented progress in South-North economic exchanges prompted by South Korean business tycoon Chong Chu-yong's recent visit to Pyongyang, has threatened to call off all scheduled talks with the South unless this year's "Team Spirit" is cancelled.

The military exercises, which South Korean officials say are necessary to maintain preparedness against a North Korean invasion, have been an annual event since 1976.

This year, for the first time, U.S. and South Korean officials have openly expressed their willingness to scale down the military maneuvers to help improve the atmosphere for South-North Korean dialogue.

In his keynote speech at Panmunjom, the chief southern delegate proposed that the meeting be named "talks between South and North high-level authorities."

Song also suggested that seven delegates headed by the prime minister and including an army chief of staff-level military officer represent each side and that the first round of talks be held in Seoul within a month with the second round in Pyongyang.

He proposed the agenda include termination of slander and accusation, building mutual respect and ensuring nonintervention, promoting exchanges and cooperation in various fields, building confidence in military affairs, arranging an inter-Korean summit and any other issues raised by the two sides.

As an initial step to build confidence, the two Koreas should discuss establishing a direct telephone line between high-level officials, ways to ensure the "demilitarization and peaceful use" of the Demilitarized Zone

(DMZ), exchange of military personnel, advance notification of large-scale military exercises and the invitation of each other's observers, Song suggested.

But Paek, a high-ranking official in the North Korean State Administration Council, counterproposed that the prime minister-level talks be named "high-level political and military talks between the North and the South" and that the delegation include two officers with "real power in the military."

He also suggested the agenda include "seeking ways to remove South-North Korean confrontation."

Paek devoted most of the two-hour long confrontation to a harangue against the South over "Team Spirit" and the crack down on pro-North books.

North Korea had proposed a deputy prime minister-level political and military conference on Nov. 16. The South counterproposed that it be upgraded to prime minister level and that a preliminary contact be held.

North Korean Prime Minister Yon Hyong-muk accepted the proposal by his South Korean counterpart, Kang Yung-hun, Jan. 16.

The meeting will be followed Friday by lawmakers' contacts to discuss a full-dress parliamentary session between South and North Korea, which technically remain at war although an armistice halted the hostilities in 1953.

**North Requests Postponement of 10 Feb Session**  
*SK0802122689 Seoul YONHAP in English 1217 GMT 8 Feb 89*

[Text] Seoul, Feb. 8 (YONHAP)—North Korea Wednesday called for the postponing of the eighth session of the preliminary contacts for the inter-Korean parliamentary meeting in protest against the annual South Korea-U.S. joint military exercises, dubbed "Team Spirit," the NAEWOE press reported.

A spokesman for the North Korean delegation to the preliminary contacts, according to the Seoul-based North Korea watcher, said in a statement aired through Pyongyang radios, "The preliminary contact cannot be held as has been scheduled in view of (South Korea's) steadfast pursuit of the 'Team Spirit' exercises."

The eighth preliminary contact was originally slated for Thursday. The statement came soon after a preparatory meeting for the proposed South-North premiers meeting ended at the truce village of Panmunjom earlier that day without making any progress as delegates from the two sides failed to patch up differences over the issue concerning the military exercises.

Meanwhile, officials of the National Unification Board here observed that North Korea may also try to postpone the second preliminary contact for the premiers talks

and the South-North sports talks, which are slated for March 2 and 9, respectively, until after mid-April when the annual military exercises are to be completed.

**Prime Minister Comments on Relations With North**  
*SK0802023189 Seoul YONHAP in English 0201 GMT 8 Feb 89*

[Text] Seoul, Feb. 8 (YONHAP)—South Korean Prime Minister Kang Yong-hun has warned against "excessive expectations" for relations with North Korea, which he accused of failing to show any fundamental change of attitude.

"It is wrong for the citizens to expect to be able to tour Mt. Kumgang in several months or to think that reunification (with the North) is just around the corner," Kang said. "we have to pay attention to the fact that the North is accelerating its military buildup, substantially increasing the number of troops and importing a massive number of new weapons."

In an interview published Wednesday with HANKUK ILBO, a leading Seoul morning newspaper, the prime minister called on South Koreans to be on watch for the real intention behind the North's recent moves toward economic cooperation and exchanges with the private sector in the South.

It was the first time that a senior South Korean Government official publicly expressed concern over recent developments in inter-Korean relations.

The highlights of the changes were the visit by industrialist Chong Chu-yong, founder and honorary chairman of Hyundai, South Korea's biggest business conglomerate, to North Korea Jan. 23-Feb. 1, the first known visit by a South Korean businessman and the ensuing massive press reports here concerning inter-Korean relations. The North Korean-born tycoon agreed with North Korean authorities to launch several joint ventures, including the joint development of Mt. Kumgang, a scenic area in the North, into a tourist complex.

Coinciding with Chong's trip to Pyongyang, reports of a secret contact between a key aide to President No Tae-u and a North Korean official in Singapore to discuss a summit have fanned public expectations for rapid progress in inter-Korean relations. The South Korean Government has denied the reports.

Kang confirmed that South Korea is seeking a union of two different political systems in one united Korean nation.

"We are studying what is called a 'union of systems,' which calls for recognition of each other's political systems and peaceful coexistence, as the prelude to a completely reunified nation," Kang said.



A government spokesman recently explained that the union of systems, in comparison to the union of states and the confederal republic, calls for "a little bit tighter ties than the British Commonwealth."

North Korea has proposed a confederal republic as the form of a united Korean nation.

In addition, the prime minister said it is "unavoidable" that the government further open the domestic market to foreign agricultural products.

"In order to demand our trading partners to open their markets, it is unavoidable for us to open our markets also," Kang said. "the government will offer proper compensation to farmers who suffer as a result of imports of agricultural products."

**Kim Chong-pil on Prudent Approach to North**  
SK0802062389 Seoul THE KOREA HERALD in English  
8 Feb 89 p 2

[From the "Out and About" column: "Prudent Approach"]

[Text] Washington—Visiting NDRP President Kim Chong-pil said here Monday that hasty northern policies may backfire.

"Making new friends is important, but keeping old friendships is more important," said Kim when he met with a group of Korean news correspondents.

Expressing strong opposition to Korean businesses' move to join Siberian development projects, Kim said: "Who are going to pour hard-earned money from the U.S. market into Siberia?"

Kim has been insisting on a prudent approach to socialist countries while his two opposition rivals, Kim Tae-chung and Kim Yong-saen, support a more aggressive approach.

**New Laws Planned for North-South Exchange**  
SK0402030689 Seoul YONHAP in English 0257 GMT  
4 Feb 89

[Text] Seoul, Feb. 4 (YONHAP)—The South Korean Government plans to set up a special committee and legislate new laws to coordinate and promote inter-Korea economic exchanges, a highly placed government official said Saturday.

The government and the ruling Democratic Justice Party will propose legislation to facilitate South-North economic exchanges, including the agreements reached between Chong Chu-yong and North Korea on developing Mt. Kumgang into a tourist resort.

"The government feels it is necessary to establish a special committee and legislate a law in a bid to coordinate and handle through a unified channel matters concerning the inter-Korean exchanges," said the official, who declined to be named.

Chong, during his historic 10-day visit to the North, reached agreements on the joint development of the scenic mountain, joint investment in a shipyard and rolling stock plant, and joint participation in development projects in Siberia and the Soviet Far East.

Most contacts and exchanges between the divided halves are prohibited by current laws in South Korea, a staunchly anti-communist nation for more than 40 years.

The special committee will comprise officials from related government ministries and agencies, including the Economic Planning, Foreign Affairs, Finance and National Unification Ministries and the Agency for National Security and Planning, the official said.

The committee will work out guidelines and propose amendments of laws on economic exchange with the North, the official said.

But some government officials and politicians have expressed concern over the "too optimistic outlook" and the possible overheated competition among South Korean businesses.

In response to unrealistic expectations in the South on the lure of inter-Korean exchanges, the official cautioned that development of the scenic North Korean mountain will take at least seven and up to ten years.

Opposition parties welcomed the historic agreements in principle, but urged the government to carefully handle the issue.

Yi Sang-su, spokesman for the Party for Peace and Democracy, demanded that the government seek a national compromise before carrying out the inter-Korea exchanges.

Choe Hyong-u, floor leader of the Reunification Democratic Party, said if South and North Korea fail to go through with the "fantastic" project it will undermine efforts for national reunification.

**Caution Urged Against Haste in Trade With North**  
SK0302014889 Seoul THE KOREA HERALD in English  
3 Feb 89 p 3

[Editorial: "Joint Venture With Pyongyang"]

[Text] Chong Chu-yong, founder and honorary chairman of the Hyundai Group, returned home yesterday after a precedent-shattering 10-day tour of north Korea. The

business trip by an industrial tycoon of the south through the closed territory of north Korea was epochal and productive well beyond immediate economic considerations.

The package brought home by Chong contained agreements with north Korea on joint development of a world-class tourist resort in the Mt. Kumgang area, undertaking projects in Siberia and the Soviet Far East and a protocol for securing funds for joint developments.

Opening of its hermetically sealed door to our businessmen is indicative of the urgent need of north Korea for inducing capital and technical know-how from without to give substance to its joint venture law adopted in 1984 which, to date, has failed to lure any significant foreign investment.

It may hopefully reflect a favorable turn in the hard line of Pyongyang with regard to official dialogue with the Seoul government, despite north Korea's continued denial of any "economic deals" with the south. The comprehensive visit of the south Korean industrial leader for observation and tentative "contracting" serves to dispute the north Korean claims.

The Seoul government is sure to endorse what was proposed and agreed on between Chong and his north Korean counterpart. Seoul has long sought to initiate economic exchange and cooperation with Pyongyang without success. Chong's fruitful visit to north Korea should crack an opening in what has yet to be achieved on the governmental level.

The positive developments to begin bilateral economic relations are encouraging. But our business community is cautioned against a wild rush for trade with north Korea, and farther with China, the Soviet Union and other east European nations. Sufficient homework should precede a venture into those unknown areas. Local businesses should guard against being too eager and competing with each other. They should act within the framework of a consistent and well-formed national policy which embraces political as well as economical factors. Effective and enlightened coordination and guidance by the government will also be required.

**DJP To Change Laws for Inter-Korea Trade**  
SKC402011489 Seoul THE KOREA TIMES in English  
4 Feb 89 p 2

[By staff reporter Kim Chang-yong: "Ruling Party Seeks Special Law for Inter-Korean Trade"]

[Text] The Democratic Justice Party will speed legislation and revision of trade and other related laws to help inter-Korean trade, joint venture and development projects.

Ruling party executives yesterday agreed to render full support for a joint resort development plan in North Korea's Mt. Kumgang (Diamond) district and construction of a shipyard and rolling stock plant in Wonsan, contracted by South Korean business tycoon Chong Chuyong and Pyongyang officials during his stay in the North.

The DJP will introduce a special bill on inter-Korean trade to a three-week extraordinary parliamentary session, due to open Monday, and streamline laws governing immigration, passports, construction and the tourism business to remove legal restriction on human and material exchanges between the two halves of the peninsula.

Chairman Pak Chun-kyu told reporters, "Those accords, in particular that on the development of Mt. Kimgang, are a practical approach which is expected to lead to ease political and military tension. We will get rid of every stumbling block to their implementation.

"We will put forward the inter-Korean trade bill to the Assembly next week," he said, adding that the DJP would invite Chong to a formal session of the party to hear it about the outcome of his recent trip and bottlenecks in trade with North Korea.

The government party and the Cabinet will hold a meeting this coming Thursday to discuss a wide range of issues including South-North parliamentary and military talks as well as private-level economic cooperation and to develop far-reaching steps to back the burgeoning inter-Korean exchanges.

The high-level session will be attended by chairman Pak, secretary general Yi Chong-chan and chief policy-maker Yi Sung-yun on the DJP side, and Prime Minister Kang Yong-hun and pertinent ministers.

It will be preceded by an overall review Wednesday by working-level party and administration officials of legal and operational red tape in inter-Korean exchanges of people and commercial goods.

Under the special bill, being drafted by the DJP and the relevant ministries, businessmen will be allowed to visit North Korea only with prior notice to the Trade-Industry Ministry and also to invite their North Korean partners to the South for commercial purposes.

Tariffs will be exempted on imports from the North, but "domestic" levies will be imposed, according to the draft.

The laws on Passports and Immigration will be also rewritten so as to grand tourist entry to the North as Pyongyang is likely to open the door to South Koreans tourists if all goes well, some time before the end of this year, DJP officials said.

Pyongyang had been regarded as hostile until President No Tae-u declared an appeasement proposal last July in which No determined that North Korea is a "partner of common prosperity," not a target of confrontation.

Laws, however, have yet to be returned to the change of government policy. For instance, the rigid national Security law, applied to state criminals, still stipulates that North Korea is the only potential enemy on the globe, along with Chochongnyon, or the pro-Pyongyang Korean residents of Japan.

In yesterday's meeting, the DJP executives termed Chong Chu-yong's accords with the Pyongyang authorities as the "first tangible fruit" of President No's aggressive rapprochement overtures toward Pyongyang and its bordering allies in what is popularly called northern policy, a version of West Germany's *ostpolitik*.

Some executives, meanwhile, expressed worry over "too rapid" and economic cooperation with the unpredictable North which they said would stir hasty public optimism about political rapprochement, probably coupled with a tendency among youths to put higher priority on national reunification rather than the maintaining of a democratic system.

Rep. Yi Kung-kyu, vice spokesman of the party, said after the meeting they concluded that it is wise not to expect political detente for the time being and just to deliver the inevitable backup to progress in the economic field.

**Kim Yong-sam Criticized for Remarks in Tokyo**  
SK0402010089 Seoul THE KOREA HERALD in English  
4 Feb 89 p 2

[From the "Out and About" column: "Irresponsible Remarks"]

[Text] DJP Chairman Pak Chun-kyu accused RDP president Kim Yong-sam of "speaking nonsense," with regard to Kim's remarks in Tokyo that he will push for a visit to Pyongyang.

Pak also said Kim should have been more discreet in talking about the Team Spirit issue and unification policies to Japanese reporters.

Commenting on Chong Chu-yong's recent visit to north Korea, Pak said: "The visit has helped open economic cooperation between south and north. It signals that the government's northern diplomacy is bearing fruit."

He said his party plans to invite Chong to explain what he experienced in the north.

**Trade Offices To Open in USSR, Poland, Bulgaria**  
SK0802074789 Seoul YONHAP in English 0731 GMT  
8 Feb 89

[Text] Seoul, Feb. 8 (YONHAP)—The Soviet Union, Poland and Bulgaria will open trade offices here next month, the Korea Trade Promotion Corp. (Kotra) announced Wednesday.

With the trade offices of Hungary and Yugoslavia already established here, it brings the number of communist countries with economic missions in South Korea to five.

South Korea and the Soviet Union will open trade offices in March in Moscow and Seoul under agreement between Yi Sun-ki, chairman of Kotra, and Vladislav Malkevich, chairman of the Soviet Chamber of Commerce, reached last December.

Kotra will send a large trade mission to Moscow in July to host a Korean goods fair to mark the opening of the Korean trade office in the Soviet capital.

Korea and Poland will also exchange trade offices in March, ahead of schedule. Under an agreement between Kotra and the Polish Chamber of Foreign Trade last November, the two countries had planned to exchange trade offices in the first half of this year.

Kotra also plans to dispatch a trade mission to Poland to participate at the world exhibition slated for June 11 to 18 in Poznan and to host an opening ceremony of the Korean trade office in Warsaw.

Korea will exchange with Bulgaria trade offices in March ahead of schedule. The two countries originally planned to set up their trade offices in Seoul and Sofia in the first half of this year under the agreement between the Kotra and the Bulgarian Chamber of Commerce and Industry last December.

The Kotra plans to send a trade mission to Bulgaria to take part in an international exhibition slated for May 8 to 14 in Plovdiv and to host the opening ceremony of the Korean trade office in Sofia.

**500 Tons of Soviet Aluminum Shipped to Pusan**  
SK0802055789 Seoul THE KOREA TIMES in English  
8 Feb 89 p 6

[Text] Soviet-produced aluminum has been shipped to Pusan aboard a Soviet-flag vessel.

The Office of Supply (OSROK) said yesterday that a Soviet vessel arrived at Pusan, last Saturday, with 500 tons of aluminum which was loaded at the Port of Nakhodka.



The aluminum is a part of 6,000 tons which OSROK contracted to be imported through an American broker, Mark Rich, on Dec. 17.

An OSROK official said it is highly probable that Soviet vessels would directly transport the remaining import volume from the Communist country to Korea as Mark Rich is allowed by the contract to collect aluminum from any region.

OSROK contracted to import aluminum with the American broker at \$2,400 per ton.

An initial shipment of 500 tons of aluminum was delivered to OSROK late last year after being loaded at a Japanese warehouse in the London Metal Exchange. The remaining 5,000 tons will be shipped to Korea this month.

**Joint Venture To Operate ROK-PRC Shipping**  
*SK0302093189 Seoul YONHAP in English 0835 GMT 3 Feb 89*

[Text] Seoul, Feb. 3 (YONHAP)—A joint venture shipping company has been approved to operate neutral container ships sailing directly between South Korea and China, the government announced Friday.

The routes, to open in April, will be Shanghai-Inchon-Pusan and Tianjin-Inchon-Pusan, a Korea Maritime and Port Administration spokesman said.

South Korea and China will also open sea routes for regular liners and car ferries if there is enough demand, the KMPA official said.

He said Korea's Tongnama Shipping Co. and China's Sinotrans Co. will invest 500,000 dollars on a 50-50 basis in the shipping company, to be called "Sinokor."

Container ships operating under the Korean or Chinese flags will be permitted later.

South Korea and China to date have relied on indirect routes, usually via Hong Kong, to handle the surging bilateral trade volume.

The two direct shipping routes are expected to shorten delivery time from 8.5 days to 5.5 days, and reduce transportation costs from 1,100 U.S. dollars to 800 dollars per container.

Officials estimate shippers will save some 10 million dollars this year with the new routes.

**Importation of More Beef Planned This Year**  
*SK0802055389 Seoul THE KOREA TIMES in English 8 Feb 89 p 6*

[Text] The government is considering importing 5,000-10,000 tons of beef in addition to the planned importation of 39,000 tons this year to stabilize the everswelling price of beef cattle.

If the additional beef imports are decided on, the importation of 39,000 tons will be made in the first half, advancing the importing schedule, officials at the Agriculture, Forestry and Fisheries Ministry said.

Statistics compiled by the ministry showed that the price of beef cattle stood at 1,778,000 won per 400-kg head at the year-end and rose to an average 1,832,000 won across the country as of Feb. 1. In some Chollapuk-to areas, the price was reported to have exceeded the 2 million won level.

Ministry officials said that the government has no choice but to supplement the demand through importing foreign beef until a more stable supply is available from the domestic market.

In line with the policy direction, the ministry has begun releasing the imported beef without limit in excess of an average daily supply of 350 tons or two thirds of the total domestic supply.

To make good on the distribution of the foreign beef, public auctions will be conducted in each province and 1,000 meat shops dealing exclusively with the imported beef will be established at the earliest possible date, they said.

As a long-term measure for beef cattle price stabilization, meanwhile, the ministry plans to increase the number of cattle rearing complexes from the 32 of last year to 64 this year and to 100 by 1990. The number of cattle markets will rise from the current 94 to 135 by 1991, and that of public sales centers for livestock products from nine to 12 by 1993, the officials said.

The officials said that the ministry will have the system of differential pricing for each beef part settled shortly.

**Embassies Asked To Simplify Visa Procedures**  
*SK0802065789 Seoul YONHAP in English 0631 GMT 8 Feb 89*

[Text] Seoul, Feb. 8 (OANA-YONHAP)—South Korean tour operators have asked embassies in Seoul to speed up their issuance of visas and simplify the procedures.

The Korean Tourist Association [KTA] Wednesday informed 63 embassies and consulates that there have been many complaints of complicated and drawn out procedures since overseas travel was liberalized for the Koreans at the beginning of this year.

KTA said long lines form outside the U.S. and Japanese Embassies at 6 a.m., three and a half hours before opening, because they close at 4 p.m.

The association suggested separate reception desks for individual and the group visitors would ease the congestion problem as group tours are increasing fastest.

The number of Koreans visiting Japan has nearly doubled and to speed up the visa issuing process, the Japanese Embassy plans to add a new reception desk in March.

The Transportation Ministry expect 1.2 million Koreans to take trips abroad this year, up 65 percent from 1988, while the tourism industry forecasts 1.5 million people will travel abroad.

**Current Account Surplus Doubles 1988 Target**  
*SK0402020289 Seoul YONHAP in English 0139 GMT 4 Feb 89*

[Text] Seoul, Feb. 4 (YONHAP)—South Korea's current account surplus soared to a record 14.266 billion U.S. dollars last year, more than double the government's original target, the Bank of Korea [BOK] reported Saturday.

The 44.8 percent increase from 9.854 billion dollars the previous year put the surplus far above the initial target of 7 billion dollars and revised mark of 12.5 billion dollars.

The central bank's preliminary figures, which show the surplus was 9.1 percent of the estimated gross national product for 1988 of 156.1 billion dollars, raise serious fears of more trade friction with the United States.

A central bank spokesman forecast that the record will remain unbroken for some time as the government intends to slash the current account surplus to 5 percent of the GNP.

The BOK reported that the country's trade surplus surged to 11.561 billion dollars last year from 7.66 billion dollars in 1987. Exports increased 29 percent to 59.666 billion dollars, while imports rose 24.7 percent to 48.105 billion dollars.

The country cut its trade surplus with the United States to 8.647 billion dollars, down 906 million dollars, while recording a 3.925 billion dollar trade deficit with Japan, down 1.295 billion dollars. Exports to the United States rose 16.9 percent to 21.404 billion dollars while imports from the United States jumped 45.7 percent to 12.757 billion dollars. Exports to Japan swelled 42.3 percent to 12.004 billion dollars, while imports expanded 16.6 percent to 15.92 billion dollars, according to the BOK report.

The invisible trade surplus ballooned to 1.279 billion dollars from 977 million dollars, boosted by a surge in tourists and a decline in interest payments on foreign debt.

The transfer account showed a 1.426 billion dollar surplus, up 208 million dollars, fueled by a growth in remittances by Korean residents in the United States and Japan.

Supported by the swelling current account surplus, foreign exchange holdings of the government rose 242.4 percent to 12.378 billion dollars. Total exchange holdings, including nongovernmental foreign exchange holdings, reached 19.5 billion dollars, the bank reported.

The country's foreign debt shrank 4.4 billion dollars to 31.2 billion dollars as of the end of last year, while net foreign debt, which excludes foreign assets from foreign debt, reached 7.3 billion or 7.4 billion, according to the bank.

The drop in foreign debt was attributed to government measures to control the country's current account surplus by repaying foreign debt ahead of schedule and restraining introduction of new foreign debt.

The bank spokesman forecast that South Korea will be a creditor nation by the end of the third quarter of this year because of active overseas investment.

**PPD Seeks Observer Status With SI**  
*SK0402011689 Seoul THE KOREA TIMES in English 4 Feb 89 p 4*

[Text] Stockholm—South Korea's opposition leader Kim Tae-chung Thursday voiced the hope that his Party for Peace and Democracy will take part in the general assembly of the Socialist International [SI] to be held here in June as an observer.

He expressed the intention to Swedish Prime Minister Ingvar Carlsson who is also the president of the ruling Socialist Democratic Party at the latter's office.

Kim is now visiting Sweden on the first leg of his two-week tour of five European nations.

Prime Minister Carlsson was quoted as telling Kim that he would deliver Kim's intention to Willy Brandt, chairman of the SI.

**Fair Trade Commission, U.S. Companies Clash**  
*SK0502043389 Seoul THE KOREA HERALD in English 5 Feb 89 P6*

[Text] The Fair Trade Commission (FTC) of the Economic Planning Board yesterday ordered three film associations, including the Motion Picture Producers' Association of Korea, to correct their unfair trading practices.

The other two are the Theater Association of Korea and the Seoul Theater Association.

According to an FTC announcement, the three film associations interrupted the direct distribution of motion pictures into the local market by the United International Pictures (UIP) Korea, by asking newspapers not to carry the ads for the U.S. company or by forcing theaters not to perform the UIP-distributed films.

The FTC also ordered UIP Korea, the overseas distributor for Paramount, Universal, and MGM/UA products, to correct its irregular trading practices. The U.S. film company lured local importers by providing excessive ad expenses in comparison with other distributors.

**No To Meet With Opposition Leaders Next Week**  
*SK0802061189 Seoul YONHAP in English 0553 GMT 8 Feb 89*

[Text] Seoul, Feb. 8 (YONHAP)—President No Tae-u will meet opposition leaders, beginning with President Kim Yong-sam of the Reunification Democratic Party Saturday or early next week, political sources said Wednesday.

No's talk with Kim, proposed by Kim when he was in Japan last week, could take place as early as Saturday but may be postponed until next week to allow time to prepare an agenda.

It will be followed by similar meetings between No and President Kim Tae-Chung of Party for Peace and Democracy and President Kim Chong-pil of the New Republican Democratic Party, after the two return home from overseas tours.

In his talks with the opposition heads, No is expected to discuss ways to end the parliamentary probes of Chon Tu-hwan's administration, hold an interim appraisal of his presidency and implement local autonomy.

A solution of the thorny issues is not expected in the talks since the ruling and opposition camps have widely different views.

Rep. Kim Yun-hwan, floor leader of the ruling Democratic Justice Party, said No will listen to the opposition leaders' demands and reflect their opinions in his conduct of state affairs and will seek a compromise rather than concrete agreements.

**Kim Asks Exclusive Talks**  
*SK0402004689 Seoul THE KOREA TIMES in English 4 Feb 89 p2*

[Text] Osaka—Reunification Democratic Party president Kim Yong-sam said yesterday that he will call for exclusive talks with President No Tae-u "to discuss how to cope with the political situation in the days to come."

"I will make the suggestion immediately after I return home Saturday, the RDP president said in a press conference at the New Otani Hotel here.

Kim said that he will brief President No on the results of his Japan visit and discuss how to solve key political issues such as the liquidation of evil legacies of the Fifth Republic.

"I think that the President has no reason to refuse the talks," said Kim.

The RDP president's move to hold exclusive talks with President No is regarded as a desperate effort to take the initiative in dealing with the ruling camp over major political issues, at a time when leaders of the two other opposition parties are continuing their travel abroad.

Touching on the domestic situation, RDP president Kim asserted that President No should keep his earlier promise to conduct a "vote of confidence" for the interim assessment of his performance in office.

Kim also claimed that the No Tae-u administration lacked the will and capacity to cut its links with the authoritarian rule of the Fifth Republic led by Chon Tu-hwan, now in domestic exile.

"Our party cannot accept the results of the prosecutors' irregularities," said Kim, heralding all-out opposition against the ruling camp if his projected meeting with President No fails to produce substantial fruits.

Appraising his Japan visit, Kim said that it was meaningful for the RDP to "have laid the groundwork for dialogue with the Workers' Party of North Korea," referring to their individual exchanges with the Japan Socialist Party.

**Prosecution Clears Hyundai of Terrorism Charge**  
*SK0802070789 Seoul THE KOREA HERALD in English 8 Feb 89 p 3*

[Text] Ulsan, Kyongsangnam-do—The prosecution has indicted 14 people over the weekend for their alleged involvement in the Jan. 8 assault on Hyundai unionists, winding up its two-week probe into the violence.

The prosecution, however, said it found no evidence that management of Hyundai Business Group was behind the terrorist attack.

Announcing the outcome of its investigation into the case, the Pusan District Prosecutor's Office Ulsan branch concluded that Han Yu-tong, executive manager of Hyundai Engine & Machinery Co., personally masterminded the assault in collaboration with Yi Yun-sop, a Korean-American.

In addition to Han and Yi, 12 more people, most of them former or current union representatives of Hyundai Heavy Industries Co. were indicted Saturday on charges of alleged participation in the violence.



Sixteen other people were also charged without physical detention, the announcement said.

The prosecution formed a four-member special investigation team Jan. 19 when it was presented with all the documents concerning the case by police.

Victims of the attack and hardline Hyundai unionists claim that the management of the Hyundai Group was deeply involved in the terrorist attack.

Twenty-three victims recently filed a complaint with the prosecution against five top Hyundai officials, including Chong Chu-yong, the founder of the giant conglomerate, and shipyard chairman Chong Mong-chun, charging them that they formed a "crime ring" and instigated the terrorist attack.

Among the accusers is Kwon Yong-mok, ex-union head of Hyundai Engine & Machinery Co., whose left hand was broken in the assault.

So Tae-su, president of the shipyard's trade union, was also sued for his alleged conspiracy with the Hyundai officials in the attack.

**'Slugfest' Expected on Special Prosecutor Issue**  
*SK0802054589 Seoul YONHAP in English 0531 GMT*  
8 Feb 89

[Text] Seoul, Feb. 8 (YONHAP)—The controversy over naming a special prosecutor to investigate the misdeeds of the past administration has all the ingredients to become a major political slugfest during the National Assembly session that begins Feb. 13.

The South Korean opposition parties, which hold a combined majority of Assembly seats, have hinted that if the ruling party accepts their demand for a special prosecutor they will agree to bring the prolonged parliamentary probes to an end.

Other items on the agenda likely to touch off confrontation between the ruling and opposition camps during the month-long extraordinary session are testimony by former Presidents Chon Tu-hwan and Choe Kyu-ha before the legislative committees probing the previous governments misdeeds, amendment or abolishment of "undemocratic laws," and the implementation of local autonomy.

The ruling party, which has pressed for an early end to the parliamentary probes, is expected to compromise with the opposition parties on the issue.

Apparently to protect the government of President No Tae-u, the Democratic Justice Party insists that the Assembly probes be completed this month.

"The ruling camp is seeking dialogue with the opposition through various channels, including talks between President No and leaders of the three opposition parties," a source said Wednesday.

But the three opposition parties have said the investigations should not be ended unless the two former presidents testify.

The ruling camp refuses to accommodate the opposition demand, asserting that a special prosecutor could upset the checks and balances between the three branches of the government.

Despite this objection, it seems certain that the opposition will pass a bill to create a prosecutor system, and that No will then veto the bill, signaling a bitter tug of war over the issue.

The No administration, which is under pressure, announced last week the results of a full-scale investigation into the various charges against the Chon government.

But the opposition, saying the investigation fell short of their expectations, called for a special prosecutor to make an unbiased and independent investigation.

Given the distance between their views, however, the ruling and opposition camps are hardly likely to reach a compromise during the special Assembly session.

#### Further Report

*SK0802071789 Seoul THE KOREA HERALD in English*  
8 Feb 89 pp 2, 3

["News Analysis" by staff reporter Sim Yong-su: "Opposition Intensify Drive for Special Prosecutor"]

[Text] Chong Ho-yong was widely seen as a front-runner for the ruling Democratic Justice Party's next presidential candidacy until last November.

But his hopes seem to have quickly evaporated since the National Assembly opened hearings on the 1980 Kwangju incident.

Then commander of the Army's special Warfare Forces which operated for the control of civilian protests, Chong took the witness stand to be grilled by opposition lawmakers' penetrating questions about his alleged role.

Before a national television audience, Chong, now and then losing his temper and disputing charges, flatly denied his involvement in the incident in which nearly 200 people, according to official government accounts, were killed.

Three airborne brigades under Chong's command were dispatched to Kwangju, according to Chong's defense, but they were not under his command while in Kwangju.

Debate over Chong's alleged part in the incident is being reignited as the opposition calls for introduction of a special prosecutor to reinvestigate Fifth Republic irregularities.

Opposition politicians claim that the widespread allegations against Chong and five other "core figures of ex-President Chon Tu-hwan's administration" be determined at any cost.

Five others considered Chon's closest associates are Yi Hui-song, Yi Won-cho, An Mu-hyok, Ho Mun-to and Chang Se-tong.

Yi Hui-song was martial law commander at the time of the Kwangju incident as Army chief of staff and the other Yi was widely known as a key supplier of political funds for Chon.

An headed the Agency for National Security Planning (NSP), during the nation's last two elections.

Former National Unification Minister Ho has been accused of masterminding the massive purge of journalists in late 1980.

Chang, An's predecessor as NSP head, was arrested last month on charges of power abuse while heading Chon's presidential security service.

The opposition had campaigned to prosecute Yi for the last two months but the effort bore no fruit as the prosecution ended the investigation after finding no evidence to support opposition charges.

President No Tae-u's long-time friend and classmate at the Military Academy, Chong is likely to become the next foremost target of the opposition.

Leading the campaign against Chon is the No. 1 opposition Party for Peace and Democracy (PPD) whose key political bastion is Kwangju and the surrounding southwestern province.

The PPD led by Kim Tae-chung, a victim of the Kwangju incident, has pressed for legal proceedings against Chong who it charged was a mastermind of the military control there.

Kim's aides said they expected the ruling party to at least make Chong surrender his party membership and his parliamentary seat.

While popular sentiment remains strong against Chong, he is certain to become a burden on his party which has been suffering from an image crisis since the Chon administration scandal erupted last March.

Whether Chong will follow his party's advice if any, to give up party membership and his National Assembly seat is doubtful.

A leading hardliner in the ruling party, Chong has reportedly defended the military action as "inevitable," drawing fire from Kwangju citizens as well as sympathetic college students.

To resign from a public post will be the hardest decision for Chong to make because it would deal a near fatal blow to his political aspiration once and for all.

Until as recently as last November, Chong, a native of Taegu, the hometown of No had been regarded as the most promising candidate for the next presidential election, together with party secretary-general Yi Chong-chan.

Since the Kwangju hearing, Chong has gone into seclusion, denying interviews with news media.

In view of this, people close Chong said Chong will not voluntarily give up his parliamentary seat and political aspiration before any allegation against him is determined true.

Popular expectation that the last parliamentary hearing would lead to new finding against Chong went amiss.

A key reason for the failure was that ruling party lawmakers effectively blocked the opposition's efforts, showering him with defensive questions.

While the opposition claimed that the Chon administration irregularities revealed so far were only the "tip of the iceberg," the government declared last month that the investigation was over once and for all.

Indignant at the government's onesided conclusion of investigation, the opposition has pressed for introduction of a National Assembly-appointed special prosecutor which it said was the only feasible means to bring truths "covered by power" to light.

But the ruling party has opposed the suggestion, without providing a satisfactory reason.

Ruling party chairman Pak Chun-kyu told reporters Saturday that it will not even be a "subject of negotiation of compromise."

Ruling party lawmakers said that they will use very possible means to thwart the opposition scheme, even asking for No veto.

Yet a veto will a tough decision for No in view of a mid-term evaluation which is expected in the near future.

### Opposition on Prosecutor

SK0402003089 Seoul THE KOREA TIMES in English  
4 Feb 89 p 2

[Text] The three opposition parties agreed yesterday to pass a bill for the introduction of the special prosecutor system in the coming extraordinary National Assembly to open on Feb. 13.

The opposition forces, which enjoy a majority on the floor, have called for the appointment of a special prosecutor empowered to dig into the "evil legacies" of the past regime ruled by ex-president Chon Tu-hwan.

The inter-party accord came in a meeting of floor leaders of the Party for Peace and Democracy, Reunification Democratic Party and New Democratic Republican party.

The whips agreed on the necessity of an independent prosecutor's thorough probe of the ills of Chon's administration, citing that the just-ended investigation is not sufficient and "is far beyond the people's expectation."

The floor leaders, in particular, pointed out that prosecutors did not touch the "most important" issue of the political funds of Chon's regime at all.

However, the ruling Democratic Justice Party strongly opposes the appointment of a special prosecutor, claiming that the new formula clearly runs counter to the principle of the division of powers (administration, legislation and judiciary).

The DJP has made it clear that President No Tae-u will veto the bill, if it passes the House.

To the stern policy of the DJP, the opposition floor leaders warned that the veto of the President will only trigger a more difficult situation, for which the government should assume responsibility.

### \* Speculation Rampant on Fate of Chon, Aides

41070050 Seoul CHUGAN CHOSON in Korean  
15 Jan 89 pp 22-27

[Article by senior reporter Cho Kap-che: "What Will Happen to Chon Tu-hwan and Chang Se-tong, Who Hold the Secrets of the Irregularities Involving the Fifth Republic?"]

### [Excerpts] Chon Spending Tranquil Days, "Ready To Be Stoned to Death"

The turbulent current of history, which changed course with the watershed events of June 1987, has swept relatives of Chon Tu-hwan, who is the symbol of the old era and the old system, and those of his wife, into prison. Chon and his wife have been banished to the Paektam Temple, and now his close lieutenants are being threatened.

The current of history, which is not as strong as the fire power of one machinegun, has, with an invisible hand, put some of the most powerful and dreaded of this country's figures in an extremely precarious position. Chon Tu-hwan, although caught head-on by the whirlwind of history, is said to be leading a serene life, maybe because he is in the eye of the typhoon.

According to the Reverend Pak Sam-chung (47, abbot of the Chabi Temple in Pangbae-tong, Seoul), who met with Mr and Mrs Chon at the Paektam Temple on 18 December 1988 for 4 hours from 1800 through 2200 hours, Chon spoke, from time to time, of things related to death.

Chon is quoted as saying: "While still in office, I was deeply disturbed, pondering whether I should exercise emergency powers only to end up being killed in the Blue House like President Pak Chong-hui, or honor my promise to step down after one term. Shortly before I completed my term, I saw my wife packing things in the Blue House, getting ready to move out. At that moment, I was moved with the thought that I was leaving the presidential mansion alive, and felt that I had nothing to regret even if I would die soon." [passage omitted]

Abbot Pak quoted Chon as saying: "It is true that following the bomb blast incident in Burma, I had tightened up security measures for my protection," but "that was not because I was afraid but because I believed that only by staying alive, I would be able to keep my promise to serve for only one term." [passage omitted]

Chon told Abbot Pak about bathing. There is a simple bathroom in the Paektam Temple. Chon sits in a big tub naked, while his wife scrubs his back and pours warm water over him. Nothing makes him happier than the bath.

Chon said to the abbot firmly: "I am ready to be stoned to death, if that would make the people feel they had revenge, and this kind of misfortune would never happen again. If my death would serve as the foundation for democracy, then I would willingly die."

Chon Tu-hwan, although born in a mud hut, has walked nothing but a road of splendor and fame ever since he joined the Army. This man is now tasting the bitterness of life. A reserve general had this to say about his present predicament: "I think it is rather fortunate for him. No one can be said to have lived a complete life until he has experienced the dark side of life. In this sense, Chon is in the process of having a full life."

When Abbot Pak was leaving the Paektam Temple at 10 o'clock in the evening, Mr and Mrs Chon accompanied him and walked toward the mountain in subzero weather, saying they were going to take a walk. On the way Chon candidly said to the abbot: "While coming down the hill on my way back from a stroll to the Oseam Hermitage, I stood on this spot, where I could see the Paektam Temple down below. Nothing made me happier than the view of the temple—I really felt that I was



going home to rest." From this remark, the abbot said he got the impression that Chon was going to stay in the Paektam Temple for a long time.

**Chang Se-tong, Master of Crisis Management, Holds His Head High In the Absence of Criminal Evidence**

Chang Se-tong, former director of the Agency of National Security Planning [NSP], whose fate hangs in the balance like Chon Tu-hwan's, in an interview by WOLGAN CHOSON 2 months ago, said: "Just as a coal miner who perishes while cutting coal is a patriot, so if I am taken into custody and the country benefits from it, I will be willing to be arrested." Critics say that Chang has a clear view of life and death, probably because he has gone through a number of critical moments. In 1966, during the Vietnam war, he sustained a piercing bullet wound in his shoulder. While he was lapsing into unconsciousness due to a heavy loss of blood, he managed to pick up a phone and said to his superior officer, "I am in such bad shape that I can no longer command my unit. I am turning over my command to——." [as published]

It is a very interesting thing to watch professionally how a person reacts when he is in danger. During these past several months the press and television have carried reports about him almost everyday, speculating on rumors about a secret investigation in progress, a formal investigation that may be initiated, measures to deal with Chang, or his possible arrest, and so forth. Prepared meticulously and thoroughly like a German soldier, Chang is watching the development of events closely, coping, silently and in a dignified manner, with the ring of history which is closing in on him. At least this is how he appears on the surface.

Prior to his appearance before the hearing, Chang made meticulous preparations as if he were preparing for a school entrance examination. But, when it came to the question of the danger of being arrested, he dodged it by saying, "I have never broken any law." His "surprisingly" dignified stance seems to stem from his confidence that even if an investigation is to be launched into the Ilhae Foundation, the Yongpari case [of political hooliganism], and matters concerning the political funds, no evidence would turn up to prove these alleged crimes. In addition, secret information he possesses would "play havoc with the political world if he should open his mouth."

Chang was always on the scene of every major dramatic event in the modern history of Korea—the participation in the Vietnam war, the 21 January incident, the martial law following the proclamation of the Yusin rule, the 12 December incident, the 18 May Kwangju democratization movement, and the bomb blast incident in Burma. He is a master of crisis management. He once said: "When a crisis occurs, I at times become excited rather than fearful. Because, it provides, among other things, an

opportunity to test my own limits, it stimulates my interest." However, the current predicament confronting him will prove to be his most difficult, even as a master in crisis management.

**Watching Chon Making His Apology, President No Tearfully Said, "I Shall Take Responsibility for the Safety of Mr and Mrs Chon"**

The settlement of the irregularities involving the Fifth Republic is closely related to the question of what to do about Chon and his former aides, Chang Se-tong in particular. How long is Chon going to continue his wandering? Will Chang Se-tong be taken into custody? If he is arrested, will he start to talk, spreading havoc in the political world?

Concerning the fate of Mr and Mrs Chon, there seems to be two alternatives: 1) the prolongation of his seclusion at home, something like his current retirement to the Paektam Temple; and 2) a de facto exile in the form of a long stay overseas.

Judging from his statement expressing his strong determination that he is "ready to be stoned to death," there is little chance that he will voluntarily choose the road of overseas exile. However, we cannot completely rule out the possibility that in case of a political upheaval, the way for such an exile will be paved through an intervention by the United States or other foreign governments. Barring a political upheaval, the prevailing view among political circles is that there will be no exile or arrest of Chon and his wife. No political forces, except dissident students, have ever demanded the arrest of Mr and Mrs Chon.

The key figure close to President No Tae-u who was involved in the decision of the former President Chon to apologize and go into seclusion, said: "Former President Chon is not the kind of person who makes decisions carelessly. The amount, 13.9 billion won, he revealed is the correct figure, and he was sincere in his posture of relinquishing everything and subjecting himself to the judgement of the people." By nature, he is not the type of person who would hide his money overseas or seek asylum in a foreign country."

On the evening of 15 November of last year, President No called his predecessor over the phone.

President No said to Chon: "When I issued the 29 June statement, I did not do so because I was sure of victory. I threw myself, without any defense, to the decision of the people, not thinking about the consequences. That is why they accepted me. I hope you, too, Mr President, will bare everything, leaving the rest to me and the people."

One of President No's close aides disclosed that this advice prompted Chon publicly to pledge even to donate the balance of his political funds to the state.

President No watched as Chon delivered his apology on television. While watching the program, No became tearful. Afterward, on many private occasions, No has asserted that "I will take responsibility for the safety of former President Chon and his wife." The president, no matter how weak he may look, has the ability to protect his predecessor. Contrary to the expectation of President No's aides that destroying Chon's reputation would enhance the popularity of the incumbent president, No has come to realize at last that under the circumstances when his popularity is waning, and there is open criticism among the opposition forces that "Mr No is a man lacking in integrity and ability," it would further weaken his own position should he leave Chon exposed to further humiliation.

A source close to the former president said: "He did issue an apology, but he is not the type of man who in his heart feels sorry. He feels a sense of satisfaction regarding his contribution to the democratization of Korea through the realization of a system allowing only one presidential term, and through economic development. I am sure he is bearing his present hardship, believing it to be a sacrifice of historical proportions, and finding some consolation in this.

However, there is a possibility that if Chang Se-tong and other former presidential aides should be taken into custody, it would compel Chon to break his silence.

A key figure of the Sixth Republic said: "I do not know whether there was an understanding reached between Chon and No concerning measures to protect Chon's aides, including Chang Se-tong, An Hyon-tae, Ho Mun-to, and Yi Hak-pong. But, I know that President No believes that these aides should be protected.

In the past, when political cases were investigated, the investigation was carried out according to a predetermined conclusion, but the current investigation of the irregularities of the Fifth Republic by the prosecution does not seem to follow this old pattern. In the absence of either a determination on the part of the powers that be to make Chang and company a political scapegoat, or any instruction to actively protect them, the prosecutors are trying to simply save face. However, the view is emerging that it will be extremely difficult to come up with "decisive evidence." One prosecutor expressed his anxiety when he said: "The embezzlement charge against Yi Chang-sok and the charge of violation of the Foreign Exchange Control Law against Yi Min-ha, are nothing but a legal action against what is a common practice in business circles. These charges were filed because there was no other clear evidence. You cannot handle Chang Se-tong and other former presidential aides in a similar way. If this is the case, not much will come of the investigation into the irregularities committed under the Fifth Republic, and the prosecution may end up bearing the whole burden of public suspicion engendered by such an outcome."

A lawyer made this comment: "Even if the government and the ruling party agree to the opposition demand for the creation of the special prosecutor system, and let the persons recommended by the opposition take charge of the investigation, the results would not be much different from an investigation as normally conducted by prosecutors."

#### **"President No Will not Be Able To Protect Chang if Incontrovertible Evidence Turns Up"**

A senior official at the Supreme Public Prosecutor's Office predicted: "In case incontrovertible evidence turns up in the course of an investigation, President No would be unable to protect Chang. Even the prosecutor general cannot manipulate a field prosecutor. The press is also watching, isn't it? Whether or not Chang will be taken into custody will be decided by matters of fact not by a scheme of political powers."

The question of how to handle Chang Se-tong, Chon's political alter ego who stands alone on the stage since Chon has retired to the Paektam Temple, has become a symbolic barometer of the will to clean up the corruption of the Fifth Republic. The opposition camp takes the position that "only when, in a show of sincerity, they go so far as to arrest a man like Chang will the public be satisfied." On the other hand, the ruling camp is of the opinion that "if we cannot even protect Chang, the foundation of the Sixth Republic will crumble." The issue concerning Chang is enmeshed not only with a power play between the ruling and opposition camps but also with the tug of war between the mainstream and new mainstream factions within the ruling camp. Within the opposition camp, the RDP [Reunification Democratic Party] in particular is strongly demanding Chang's arrest, showing a curious difference from the PPD [Party for Peace and Democracy] position.

Chang and his associates did not seem to be worried much about the PPD position. A key figure of the ruling camp said: "If Chang is taken into custody, it may add to the popularity of the government for a few days. But a Chang trial will virtually become another hearing and prolong the government's torment. They should consider the possible impact a trial of a former NSP director would have on North-South relations and international relations as well."

As things stand now, Chang would interpret a trial of himself as an action of political retaliation. If he should be taken into custody in connection with political activities such as the 13 April measure, the incorporation of the Ilhae Foundation, and operations directed at opposition parties, he would consider his arrest to be political retaliation. He would believe this to be the case even more so, if he should be arrested on charges of criminal offenses based on evidence that had been ferreted out from his handling of money matters, an area far removed from his primary duty. You have to wait and see how Chang will react to such a "retaliation."

Chang once intimated that in case such an act of "retaliation" was taken against him, he would regard it as a breach of the rules of the game, and react violently with a "bombshell statement." It would not be too far off the mark if one guesses that Chang, a person as punctilious as a computer, is right now sharpening his treasured weapon and getting ready for a dogfight.

A figure in the ruling camp said, "Arresting him on a lesser charge of perjury or abuse of power, and releasing him after a short interval may be one way of protecting him by forestalling more serious charges." Chang's bombshell statement, if he makes one, would hurt President No more than it would hurt opposition parties. The core of this statement would be the information he holds on the flow of political funds. One high-ranking government official, well informed on the "Chon Tu-hwan style political funding," said: "Even if the bag is opened, the amount of the money allegedly given to opposition parties would not be found to be extraordinary. It was nothing more than the money distributed to the opposition parties on major holidays and the money given to one Mr Kim as a good-will gesture."

However, pinpointing a certain political party, Chang said that "money flowed into that party, but it does not appear that all of the money was spent in the election campaign," hinting that he has considerable information on the flow of political funds in the past presidential election.

Chon's close aides harbor a considerable grudge against the people on the President No's staff, and information adverse to President No is leaking out through the cracks created by this feeling of estrangement. Testifying before the hearing on the suppression of the press, Ho Mun-to said that "the mergers of news media became an issue because of the coercive measures used in the merger process." This statement may be understood to intimate that the Defense Security Command (DSC) headed by the then Director No Tae-u was the cause of many troubles. Ho emphasized that his contribution was to simply to take the principle that all local papers should merge into one paper for each province, and transmit it to the lower levels. In the case of Pusan, the prevailing view is that Kwon Chong-tal, then chief of the DSC Office of Information, intervened to initiate the process of merging the weaker PUSAN ILBO into the stronger KUKJE SINMUN. Ho said slyly and sarcastically that he wondered why National Assembly members are passing over the irregularities of the "DSC under No Tae-u's charge." This stance of Chon's hints at what attitude Ho himself or other of Chon's aides would take in case they should be taken into custody.

One close associate of Chon said: "President No and his staff lured us into publicly disclosing even the balance of the political fund, and donating it to the state, and by doing so, they have ended up pulling the fuse closer to their own side. If this fuse should ignite, they would also be blown up."

In the 1987 presidential election, Chon played the villain's role in collecting hundreds of billions of won in campaign funds in order to get No Tae-u elected. Chon and his aides complain that as a reward for this villain's role, instead of trying to vindicate him, President No and his aides have unilaterally demanded the sacrifice of silence on this matter.

According to a person close to Chon, the campaign funds Chon provided to No are estimated at about 200 billion won for the presidential election and the April general election. Chon turned over to No the balance of the political fund amounting to tens of billions of won that he had kept up to the last moment when he stepped down as president, and this was the main source of the campaign fund in the April general election. A staff member of President No admitted: "It is true that we took over the balance of the political funds from Chon. Because the general election took place within 2 months of President No's inauguration, we had no time to collect additional funds. That is why we had to use this money for the general election." This means that out of hundreds of billions of won collected to get No elected to the presidency, Chon took only a small part for himself when he stepped down, turning over the bulk to President No. One member of President No's staff said: "The amount of money President Chon took out of the Blue House is estimated at about 20 billion won, of which he distributed an estimated 7 billion won to his favorite candidates."

According to this reporter's estimate, the political funds collected in person by Chon total 500 billion won. When what they call quasi-political funds, such as various funds for government-backed projects, are included, the amount reaches 700 billion won, and when the amount collected by the DJP is also added, the political fund made available to the ruling party in the Fifth Republic probably totals 1 trillion won. Here is a breakdown of the estimated amount of campaign funds spent by various parties in the last presidential election: the DJP, 300 billion won; the RDP, 20 billion won; and the PPD, 15 billion won.

The political funds collected directly by Chon were a big reservoir in the political terrain of the Fifth Republic. The bulk of water flowing out of this reservoir was channeled to the ruling camp, but some part of the water seeped into the opposition. What is agonizing to both the ruling and opposition camps is the fact that the people who were in charge of this flow of water, in other words, the persons who have the best information about the political funds collected and executed, have been put on the chopping block as a possible target of investigation in connection with the irregularities of the Fifth Republic.

#### **Investigation Into Political Funds Would Cause an Enormous Sensation in the Political World**

It was previously reported that during his recent arraignment by the prosecution, Cho Chung-hun, chairman of the Hanjin Group, stated that "I delivered 5 billion won to the Blue House shortly before the presidential



election," and that "I delivered 3.7 billion won to the Blue House, and later I was told that this money was entered in the book as a contribution to the New Community Program and the Ilhae Foundation."

During the National Assembly hearing, Yu Chan-u, chairman of Pungsan Metals, and three other businessmen, testifying on the 3.5 billion won they had delivered to Chon in person without a receipt, stated that they had recently learned that the money was entered in the book as a contribution to the Ilhae Foundation. This gives an inkling of the way former President Chon collected political funds. This means that between Chon and businessmen money was given and received without a clear-cut distinction between political funds and various contributions to the New Community Project, the Ilhae Foundation, the Education Society, and the Heart Foundation. The attitude of businessmen was that "since we are offering our money to the Blue House, it makes little difference whether the money is spent in election or for the Ilhae Foundation."

If these types of political funds are to be investigated, it is bound to rock not only the political world but also the economic world. It is bound to touch off investigations into political contributions deposited under phoney names, irregularities associated with efforts to lure these deposits, and tax evasion by the firms which camouflaged political donations, resulting in the exposure of the dirty linen of the Korean conglomerates. One close aide to Chon said, "that kind of investigation would be possible only in a country which is going through a revolution."

President No and aides have reportedly assured Chon's side that "as far as the political funds are concerned, we will stake the life of the government to keeping them secret." In the current investigation into the irregularities of the Fifth Republic, the prosecution set aside the political funds as a sanctuary.

The prosecution did not make a thoroughgoing investigation of the money uncovered at the Blue House by a joint investigation team of the Martial Law Command following the 26 October incident [in which President Pak Chong-hui was assassinated]. That money was left over from the political fund account under the Pak regime and similar in nature to the 31.9 billion won Chon took with him when he left the Blue House. Chon and DJP officials say that the checks found in the Blue House amounted to 600 million won and were given to Pak Kun-hye, [Pak's daughter], (who has acknowledged it).

However, Chong Sung-hwa, then martial law commander, stated that "I received 200 million won from Chon and made it available to the Army Headquarters as an official fund. Chon told me that he ferreted out 900 million won and was allocating 600 million won to Miss Pak, 100 million won to the Joint Investigation Headquarters as an investigation fund, and 200 million won to me."

Former Defense Minister No Chae-hyon told the prosecution that "I received 50 million won from Chon and distributed it among the Navy and Air Force chiefs of operations, the joint chiefs of staff, and the Defense Ministry." Chon's aides claimed that the amount of money found in the Blue House was 600 million won, but the total rises to 950 million won according to these testimonies. The prosecutor in charge of the current investigation into the irregularities of the Fifth Republic reportedly asked Chong Sung-hwa under subpoena, "was this money by any chance brought from the Intelligence Agency?" This indicates that the prosecution has been unable to unravel the cause of difference between the amount (600 million won) claimed by Chon's aides and the amount that emerged in the process of investigation by the prosecution. This mystery also can be unraveled only when Chon himself is arraigned.

President Pak "always stashed part of his political fund in the cabinet" in the Blue House, keeping the remainder in the form of a deposit book, and at the time of his death, the amount of the deposit must have been far greater than the cash left in the cabinet. But what happened to this deposit book during the government changeover is a mystery, and inasmuch as the prosecution has no interest in making an investigation, it will remain a mystery forever.

#### **Investigation Into Fifth Republic Irregularities Bound To Be Limited in Absence of Chon's Testimony; Government Studying Testimony Format From All Angles**

One of Chon's close associates said: "The biggest reason Chon is in this sorry state is that we failed to realize our adversarial relationship with President No." Conversely speaking, this statement may be interpreted as meaning that Chon's coterie intends from now on to put up an active defense, carrying a bomb in the form of secret information on the political funds and holding a grenade in the form of the story behind No's 29 June statement and the truth about the 13 April statement. One of Chon's associates who was involved in the release of Chon's statement of apology went so far as to say, "Mr Chon may be sleeping in peace, but conversely, President No must have trouble sleeping."

Some people in the ruling circles wish deep in their hearts that a man like Chang Se-tong will issue a bombshell statement in Chon's place. A ranking official said: "if that happens, it would hurt President No, and opposition leaders also, and might be the occasion for reorganizing the political topography of our country." Another person gave assurances that such a bombshell statement would prove fatal to one Mr Kim.

A high-ranking government official said: "If Chang is arrested, it would decisively undermine the loyalty and morale of investigative and public security organizations and also hamper North-South dialogues. If Yi Hu-rak and Chang Se-tong, both former directors of the intelligence

organization, who met with Kim Il-song, are to be humiliated as they are now in the period of a political transition, then whom would Kim Il-song trust and talk with?"

The people who are holding the fuse to a bomb made up of a mixture of explosives, such as secrets on the political funds, secrets on operations dealing with the opposition, and internal secrets of the ruling camp, are Chang Se-tong, Chon Tu-hwan, No Tae-u, and some opposition leaders. Against this background, the opposition is demanding the arrest of Chon and Chang, and President No is in a quandary. With the time for a mid-term appraisal of his performance coming close, President No has got to gain in popularity, and we wonder what kind of move he will come up with at this juncture to deal with Chang, who has become a guinea pig for testing the determination of the No administration to clean up the corruption of the Fifth Republic. Will President No be able to organize a team of highly skilled experts, and have them safely defuse the bomb, removing it from the people who now hold the fuse?

The formula for solving this riddle will serve as a signal which will foretell where the political scene is heading.

The possibility of Chon's exile still remains the talk of the town, although he clearly declared that he would rather choose imprisonment than seek asylum overseas. This, according to persons close to Chon, is because people do not understand what kind of person he is. This reporter has again and again been surprised at the wide gap between the image of Chon as held by his associates and that held by the general public. Many people liken Chon to a mythical creature said to gobble up nothing but money. This contrasts with the view of his close aides who regard him as "the man who urged members of the presidential secretariat not to take even a ballpoint pen home," "the man who in order to conserve stationary, made his staff write reports on both sides of the paper, and in small letters at that," and "the man who lowered the wattage of the electric lights in the Blue House because he thought they were too bright."

One of President No's senior secretaries commented: "It is true that Chon raked in an enormous amount of money, regarding the Republic of Korea as a stock company. But it seems that he never used the money to line his own pocket. Rather, he tried hard to distribute it to many people."

One of Chon's former senior secretaries said: "He was the kind of man who felt he did not deserve to be addressed by the words 'your excellency.' That is why he went around from early morning, drenched with sweat, thinking that people would forgive him if he worked very hard. While in office, President Chon raised too many ghosts. Speaking in terms of the Buddhist doctrine of retributive justice, we may say that his current predicament is the outcome of the imprecations of these ghosts. Nevertheless, we should not turn Chon and his wife, themselves, into ghosts. Ghosts

will always be apotheosized and lionized, and in my opinion, our society has reached the stage in which we are no longer in need of such ghosts."

During the hearing on the Kwangju incident, independent Assemblyman Pak Chan-chong used the expression "a Youido style solution." He said we should not settle the case of Chon and his wife in a retaliatory way, as in the Nuremberg Trial, but settle it in accordance with the three principles, namely "the clarification of the truth from the point of view of providing a historical lesson, a nonlegal settlement from the point of view of achieving a political compromise, and pardon from the religious point of view of making reconciliation." Assemblyman Pak stressed that to this end, Chon should testify before the people, telling the truth.

The government and the ruling party have begun actively to discuss the possibility of Chon's testimony as a way of reaching a comprehensive settlement of the issue of the irregularities of the Fifth Republic. The question is: what format the testimony should take? The formats being considered are, rather than a hearing, written testimony, or recorded testimony (for broadcasting on television).

A key figure in the No administration said: "There are limits to the efforts to settle the issue of the corruption of the Fifth Republic through two-prong investigations, one through the activities of the National Assembly select committee, the other through the investigation by the prosecutors. The continuing activities of the select committee without Chon's testimony will be futile and endless, and the method of locking up only the small fry behind bars, instead of the kingpins, is also not convincing. A candid testimony given directly by Chon to the people could have the dramatic effect of reaching a settlement, once and for all, on the issue of the irregularities of the Fifth Republic, and letting the curtain fall, and it would also reduce the pressure on his aides." If Chon, after being assured of pardon, gives a "truthful testimony which will serve as a historical lesson," it may have the same effect as issuing a bombshell statement."

**Defense Ministry Seeks to Change Military Laws**  
SK0202021289 Seoul THE KOREA HERALD in English  
2 Feb 89 p 2

[Text] The Defense Ministry is planning to have some military-related laws overhauled in step with ongoing democratic reforms.

"Some military-related laws are considered authoritative and behind the times," a ministry spokesman said yesterday.

The laws the ministry indicated would be revised include the Military Court Law, Military Criminal law and the laws concerning the military judiciaries and disciplinary systems.

The ministry will form a panel to examine the military laws soon and prepare draft bills, the spokesman said.

He said the bills will be finalized through public hearings and sent to the National Assembly by April 1990.

Defense Minister Yi Sang-hun told a meeting of key military commanders last December that the military should pursue a "new image" becoming the new era of democratization and openness.

Among the laws whose revision is under study are Article 2 of the Military Criminal Law.

Article 2 is so ambiguous that there is a need to clarify the definition of "superiors who have the right to issue orders," the spokesman said.

Article 30 of the law, which can send deserters to prison for up to three years, is too heavy in peacetime, he said.

The spokesman said the ministry also will seek to revise Article 94 banning military intervention in politics. The article, he said, is so superficial that it could be abused by politically-oriented soldiers.

The sought-after revision is designed to make the definition of military intervention in politics more clear, the spokesman said.

The ministry will seek new provisions calling for banning collective action by military personnel, not approved by their superiors, to safeguard the channel of command that is vital to the military.

The move was prompted by last month's "declaration of honor" by five company-grade officers, the spokesman said. The dissident officers have been placed under arrest for involvement in politics.

**Military Drops Indictment Against Officers**  
SK0502040389 Seoul THE KOREA TIMES in English  
5 Feb 89 p 3

[Text] The Army yesterday dropped indictment of the five junior officers at the 30th Infantry Division including Capt. Yi Tong-kyun, 28, who made a declaration of honor at the office of the Korean National Council of Churches in downtown Seoul Jan. 5 this year, it said in an announcement.

In the announcement, the Army said that the five company-grade officers would appear before a disciplinary meeting at the infantry division.

They were released from the military stockade yesterday.

The five officers demanded in a seven-point declaration that the military maintain political neutrality, claiming that some politically-oriented servicemen's meddling in politics had disgraced the honor and pride of the armed forces and hamstrung the democratic reforms.

The military authorities arrested the officers for political activities, which are banned by the Military Criminal Code, and disrupting the channel of command, investigating them to determine what made them issue the disputed declaration.

The officers were from the Reserve Officers' Training Corps.

In the meantime, a military source said yesterday that they had vowed to make a second declaration of honor in the Cecil Theater in downtown Seoul once they were set free.

**NDRP Members Complain of Information Gap**  
SK0502041389 Seoul THE KOREA TIMES in English  
5 Feb 89 p 2

[From the "Press Pocket" column: "Sulky Mood"]

[Text] Key post holders of the opposition New Democratic Republican Party yesterday seemed to be in the sulks as their boss Kim Chong-pil, who has been visiting the United States since Jan. 31, has dispatched no reports on his activities there.

They pouted apparently comparing their boss and two other opposition leaders Kim Tae-chung and Kim Yongsam whose activities during their separate visits to Europe and Japan were played up in the press.

A ranking NDRP officer complained, "We only received a terse report on Feb. 2 that he (Kim Chong-pil) met the chairman of the U.S. Senate Foreign Relations Committee," adding that he could not understand for what reason Kim visited the United States.

On Friday, a secretary for Kim in Seoul received a phone call from Kim's chief secretary Kim Tong-kun and he asked him about the meeting between Kim Chong-pil and the U.S. senator.

However, the secretary was told nothing about the meeting, except the reply, "I will discuss it with president Kim."

**Kim Tae-chung Nominated for Nobel Peace Prize**  
SK0502040789 Seoul THE KOREA TIMES in English  
5 Feb 89 p 2

[From the "Press Pocket" column: "Prize Nomination"]

[Text] Stockholm—Kim Tae-chung, president of South Korea's largest opposition Party for Peace and Democracy, has been named a candidate for the 1989 Nobel Peace Prize, it was learned Friday.

He was recommended by 27 leading figures of Sweden, including parliamentarians, businessmen, scholars and religious leaders, an aide of Kim said.

It is third time the South Korean opposition leader has been recommended for the world-famed annual prize. He was nominated in 1987 and 1988.

Kim left here Saturday for Rome after a three-day visit.



## Burma

**Khin Nyunt Receives Pakistan, Malaysian Envoys**  
*BK0802025989 Rangoon Domestic Service in Burmese*  
1330 GMT 7 Feb 89

[Text] Brigadier General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLOKRC] of the Union of Burma, received Mr Mohammad Qurban, ambassador of the Islamic Republic of Pakistan to Burma, at 0930 today at the Dagon House of the Ministry of Foreign Affairs.

Present at the meeting with Brig Gen Khin Nyunt was U Ohn Kyaw, director general of the Department of Political Affairs of the Ministry of Foreign Affairs.

Brig Gen Khin Nyunt, secretary-1 of the SLORC of the Union of Burma, received Mr Sallehudin bin Abdullah, at 1030 today at the Dagon House of the Ministry of Foreign Affairs.

Present at the meeting with Brig Gen Khin Nyunt was U Ohn Kyaw, director general of the Department of Political Affairs of the Ministry of Foreign Affairs.

**Executive Changes in Political Parties Announced**  
*BK0702145589 Rangoon Domestic Service in Burmese*  
1330 GMT 7 Feb 89

["Press Release No 57/89 of the Commission for Holding Democratic Multiparty General Elections, Union of Burma, dated 7 February—the 2d day of the waxing moon of Tabodwe, 1350 Burmese era"]

[Text] 1. The following changes to the patrons and executive committee members of political parties registered with this commission are hereby made public for the benefit of the people:

2. This commission has put on record information from the National Peace and Democracy Party that General Secretary Daw Khin Khin Sein, Central Executive Committee [CEC] members U Kyaw Win Maung and U Khin Maung Latt, and Secretariat member Dr Ba Kyu have all resigned; that Joint General Secretary U Lay Myint has been appointed the general secretary while U Tun Lin, alias U (Omarkub), and Daw Yin Yin May have both been appointed CEC members; that U Chit Maung has been dismissed from the CEC; that CEC member U Maung Ko, alias (Ghafiri), and Secretariat member U Par Lay, alias U Tun Nay Aung, have both been relieved of their duties; and that the following appointments have been made: U (Habib) as the patron, U K. Ba Thauang as the vice chairman, and U Tun Aung, alias (L. Haq), and U Kyee Myint as the members in the expanded CEC.

3. This commission has put on record the notice served by the National Peace Party that U Hlaing Myint has been appointed to the vacant chairman's post.

**Mikhin-Bamapyi-Aphwe Announces Programs**  
*BK0402092789 Rangoon Domestic Service in Burmese*  
1330 GMT 3 Feb 89

[Press Release No 55/89 of the Commission for Holding Democratic Multiparty General Elections of the Union of Burma, dated 3 February—13th day of the waning moon of Pyatho, 1350 Burmese era"]

[Text] 1. The following are extracts of the objectives and future programs of the Mikhin-Bamapyi-Aphwe [Mother Burma Organization] which has registered with this commission in accordance with the Political Parties Registration Law, and which has its headquarters at No 10, Mitzu Manaing Street, Bo Kan Nyunt Ward, Thingangyun Township, Rangoon Division.

2. Aims and programs.

A. To protect and perpetuate Mother Burma with one's life.

B. To move from manual to mechanized technology according to time and system and to establish a motherland which can fully satisfy the need for food, clothing, and shelter.

C. To make the utmost efforts to obtain genuine democracy and unity for the national people while working for world peace and internal peace.

D. To modernize education and to enable the pursuit of education according to one's choice.

E. To ensure that workers fully enjoy the benefits allowed by the law and obtain full benefits, recreation, and social rights.

F. To ensure that hospitals are adequately provided with doctors, medicines, and medical equipment.

G. To work for a reduction of prices and for the prosperity of Mother Burma.

## Cambodia

**Shevardnadze's Visit to PRC Reported**  
*BK0802051489 Phnom Penh Domestic Service*  
in Cambodian 1300 GMT 7 Feb 89

[From the "Foreign News" feature]

[Text] According to the Soviet press agency TASS, Comrade Eduard Shevardnadze, CPSU Central Committee Political Bureau member and Soviet foreign minister, left on 1 February for an official visit to China. It was the first authoritative visit paid by a Soviet foreign minister to China for a long time in the history of the Soviet-Chinese relations. The Soviet Union is of the opinion that the normalization of the Soviet-Chinese relations is a step taken in conformity with the wish of both the USSR and PRC. The two countries began to expand their relations some years ago. They constantly held political dialogues, and they talked about their border issue and the Cambodian problem as well. Their delegations of different levels frequently met to discuss various issues.

The Soviet Union holds the view that only meetings between leaders of the two countries, namely the Soviet-Chinese summit, would promote the full normalization of the Soviet-Chinese relations. Comrade Eduard Shevardnadze's visit was primarily aimed at finalizing the Soviet-Chinese summit.

Moreover, the Soviet Union considers it necessary to emphasize that the normalization of the Soviet-Chinese relations should absolutely avoid affecting other countries' interest in general.

**Hun Sen Greets SRV's Do Muoi on Birthday**

*BK0602081589 Phnom Penh Domestic Service  
in Cambodian 2300 GMT 5 Feb 89*

[Text] Comrade Hun Sen, chairman of the People's Republic of Kampuchea [PRK] Council of Ministers, recently sent a congratulatory message to Comrade Do Muoi, chairman of the SRV Council of Ministers. The message says:

On your 72d birthday, on behalf of the PRK Council of Ministers and the Cambodian people throughout the country, and in my own name, I would like to wish you all the best, good health, energy, longevity, and success in your noble task. I would like to express cordial greetings and highly appreciate your spirit of patriotism, love for the socialist revolution, your proletarian internationalist ideals, and your great contribution to strengthening and expanding the special militant solidarity and cooperation between our two governments and peoples of Cambodia and Vietnam, as well as among the three countries—Cambodia, Vietnam, and Laos.

**Tie Banh Congratulated by SRV Counterpart**

*BK0802063589 Phnom Penh Domestic Service  
in Cambodian 1300 GMT 7 Feb 89*

[Text] Comrade General Tie Banh, People's Republic of Kampuchea [PRK] defense minister, recently received a congratulatory message from Comrade General Le Duc Anh, SRV defense minister.

The message essentially says: On the occasion of your promotion to the rank of general by the PRK State Council, I would like to extend warmest congratulations to you on behalf of all the Vietnamese People's Army [VPA] cadres and combatants and in my own name. Your promotion to general and the broadening of the army high-ranking officers reflect the firm progress and effective organization of the Kampuchean People's Revolutionary Armed Forces, capable of assuming the tasks of gradually building and developing its strength in defending the cause of rebuilding the glorious Cambodian motherland.

The VPA is extremely pleased with this historical event and the honor and responsibility entrusted to you by the PRK state and party on the 10th anniversary of the founding of the PRK.

I would like to wish you, comrade general, good health and new, ever greater successes in your tasks and responsibilities.

**VPA's Nguyen Quyet Congratulates Bou Thang**

*BK0602071189 Phnom Penh Domestic Service  
in Cambodian 0430 GMT 6 Feb 89*

[Text] On his promotion to the rank of general, Comrade General Bou Thang, member of the Political Bureau of the party Central Committee, vice chairman of the Council of Ministers, and chief of the Kampuchean People's Revolutionary Armed Forces General Political Department, recently received a greeting and congratulatory message from Comrade General Nguyen Quyet, chief of the Vietnamese People's Army [VPA] General Political Department. The message says in essence:

On behalf of the General Political Department and political cadres of the entire VPA and in my own name, I would like to send you warmest congratulations and best wishes. The fact that the rank of general has been conferred upon you reflects the high esteem of your party, state, and army. May the special militant solidarity, relations of friendship, and all-round cooperation between our two armies and our two General Political Departments further develop and be strengthened.

**Chief of VPA General Staff Greets Counterpart**

*BK0802062989 Phnom Penh Domestic Service  
in Cambodian 1300 GMT 7 Feb 89*

[Text] Comrade Lieutenant General Pol Saroeun, People's Republic of Kampuchea deputy defense minister and chief of the Kampuchean People's Revolutionary Armed Forces General Staff, recently received a congratulatory message from Comrade General Doan Khue, SRV deputy defense minister and chief of the Vietnamese People's Army [VPA] General Staff.

The message reads: On the occasion of your promotion to the rank of lieutenant-general by the State Council, on behalf of the VPA General Staff and in my own name, I would like to convey to you, comrade, our warmest and hearty congratulations. I wish you the best of health and new, ever greater successes in your noble tasks and responsibility.

**KPRP Greets CPV on 59th Founding Day**

*BK0502065289 Phnom Penh Domestic Service  
in Cambodian 0430 GMT 5 Feb 89*

[Text] On the 59th anniversary of the founding of the Communist Party of Vietnam [CPV], the Kampuchean People's Revolutionary Party [KPRP] Central Committee addressed a congratulatory message to the Vietnamese party Central Committee.

The message said:

On behalf of the KPRP, the working class, and the entire Cambodian people, we would like to convey warmest greetings to the CPV Central Committee and, through it, to all the party members, working class, and the entire people of the SRV.

Furthering the Indochinese Communist Party's valiant tradition of struggle over the past 59 years, the CPV has led the Vietnamese people in the decisive struggle overcoming all manner of difficulties and obstacles to successively achieve victories over French colonialism, Japanese facism, U.S. imperialism, and international reactionary forces. These victorious achievements have opened up for the Vietnamese people a new era of national independence and freedom progressing toward socialism. Nowadays, under the clear-sighted leadership of the CPV, all comrades are carrying out the active implementation of the 6th party congress' resolutions on the promotion of reforms in developing economic and social structures. In the international arena, you have participated and are energetically participating in the cause of defending peace and security in the three Indochinese countries, Southeast Asia, and the world. The fraternal CPV and Vietnamese people always provide the KPRP and the Cambodian people with precious and timely multiform support and assistance.

On this historical occasion, we would like to express our profound and wholehearted gratitude to the comrades and the entire Vietnamese people and wish all of you new, still greater successes for the cause of national defense and construction advancing toward socialism.

May the special militant friendship and multifaceted cooperation between the parties and peoples of our two countries consolidate and expand with each day.

**Defense Delegation Visits SRV Combatants**  
BK0602072589 Phnom Penh Domestic Service  
in Cambodian 0430 GMT 6 Feb 89

[Excerpt] On the traditional new year of the fraternal Vietnamese people, on the morning of 5 February, a delegation from the Defense Ministry led by Comrade Colonel An Sum, deputy chief of the Kampuchean People's Armed Forces General Political Department, visited and distributed gifts to hospitalized wounded and disabled combatants at Hospital 122 in Pochentong [Phnom Penh suburb].

On this occasion Comrade Colonel An Sum expressed sentiments of profound gratitude for the proletarian internationalist duties carried out in Cambodia by the Vietnamese volunteer army, which has made sacrifices in flesh and blood, for the cause of liberating the Cambodian people and saving Cambodia from the genocidal Pol Pot-Ieng Sary-Khieu Samphan regime. [passage omitted]

**Bou Thang Sends Greetings to Nguyen Quyet**  
BK0802074789 Phnom Penh Domestic Service  
in Cambodian 0430 GMT 8 Feb 89

[Text] On the occasion of the traditional new year of the fraternal Vietnamese people, Comrade General Bou Thang, chief of the Kampuchean People's Revolutionary Armed Forces [KPRAF] General Political Department, has sent a greetings message to Comrade General Nguyen Quyet, chief of the Vietnamese People's Army [VPA] Political General Department. The message noted:

On behalf of cadres and male and female combatants throughout the KPRAF General Political Department and in my own name, I would like to extend warmest new year greetings and best wishes for good health, longevity, and victories to you and your family.

Through you, I would like also to extend best regards and new year greetings to all leaders of the Defense Ministry, cadres and male and female combatants of the fraternal VPA Political General Department, and particularly to the families of the fallen and disabled Vietnamese combatants who have sacrificed their flesh and blood for the cause of the Cambodian revolution as well as families of the heroic Vietnamese army volunteers who are fulfilling their proletarian internationalist duties in Cambodia. May all of you enjoy good health, firm strength, and greater feats in the tasks of building and defending socialist Vietnam.

May the bonds of friendship, solidarity, and all-round cooperation between our two general political departments become firmer and develop forever.

**National Assembly Resumes Work on 8 February**  
BK0802065389 Phnom Penh Domestic Service  
in Cambodian 0430 GMT 8 Feb 89

[Text] The 16th session of the first National Assembly actively resumed its work as scheduled at 0700 on 8 February. National Assembly members listened with great attention to the explanation of the National Assembly's Nationalities Commission read by Comrade Kham Len, alternate member of the party Central Committee and member of the Council of State; the explanation of the National Assembly's Cultural and Social Affairs Commission read by Comrade Nu Beng, vice chairman of the National Assembly; the explanation of the National Assembly's Legislative Commission read by Comrade Vandi Ka-on, member of the Council of State; and the draft of the financial and state budget affairs during the past 10 years, especially in 1988, and the orientation of the financial and state budget affairs for 1989, read by Comrade Nuon Saret, deputy minister of the state affairs inspectorate. Moreover, the National Assembly members also jointly debated and thoroughly examined the reports heard over the past 2 days, raised some questions, and resolved a number of issues.



The session adjourned at 1100 and will resume this afternoon.

#### **Afternoon Session Held**

*BK0802120389 Phnom Penh Domestic Service  
in Cambodian 1100 GMT 8 Feb 89*

[Text] The 16th session of the PRK's first National Assembly resumed its work as scheduled at 1400 this afternoon.

A number of National Assembly members, including Comrade Hor Nam Hong, minister assisting the chairman of the Council of Ministers; Comrade Poun Ponloe, National Assembly member for Kratie Constituency; Comrade Chea Soth, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers; Comrade Tang Saroem, minister of trade; Comrade General Sin Song, minister of the interior; Comrade Nuon Saret, deputy minister of the State Affairs Inspectorate; and Comrade Khun Chhi, National Assembly member for Kampot Constituency, gave explanations on various issues to the National Assembly.

All members also raised questions and gave some opinions for consideration and evaluation by the assembly.

The session adjourned at 1700 and will resume tomorrow.

#### **Men Sam-an Talks to Villagers in Svay Rieng**

*BK0602075089 Phnom Penh Domestic Service  
in Cambodian 0430 GMT 6 Feb 89*

[Summary] From 1-4 February, Men Sam-an, member of the Political Bureau of the KPRP Central Committee and chairman of the Central Committee's Organization Commission, visited and talked to state authorities and people in a number of localities in Svay Rieng Province, including Chantrea commune in Chantrea District.

Accompanying Men Sam-an on this trip was Heng Samkai, member of the KPRP Central Committee and secretary of the Svay Rieng Province's Party Committee; Chea Chanto, alternate member of the party Central Committee and planning minister; Hok Langdi, chairman of the Svay Rieng Provincial People's Revolutionary Committee; and many other provincial cadres.

After listening to a report by the secretary of the party committee in Chantrea commune on the situation in the locality, Men Sam-an thanked and praised the local authorities and people for their efforts and recalled the hardship suffered during the struggle against U.S. imperialism and the Pol Pot regime.

Talking about the political situation in the country, Men Sam-an said:

"The next phase of our struggle is not an ordinary one. Along with great achievements, we should be self-reliant in order to defend our gains after our Vietnamese friends

withdrew. They will pull out completely in September 1989 if there is a solution. Our Cambodia is a vast area. If we do not strive to build our own forces, we cannot lead and build our Angkor land into glory if we still rely on other people's forces. Therefore, the spirit of self-reliance is a lofty resolution of our party, army, and people."

Men Sam-an also called on cadres and authorities to carry out production work in their spare time and to provide mutual assistance. On the same day, Men Sam-an visited the paddy purchase offices in Tuol Sdei and Bati communes and talked to leading cadres in Chantrea and Kompong Rou Districts to gather experiences, requests, and needs of the localities.

Men Sam-an safely returned to Phnom Penh on 4 February.

#### **Deng Xiaoping-Shevardnadze Talks Reported**

*BK0802053889 (Clandestine) Voice of Democratic  
Kampuchea in Cambodian 2330 GMT 6 Feb 89*

[Text] On 4 February, Deng Xiaoping, chairman of the CPC Military Commission, held talks with Shevardnadze, Soviet foreign minister, in Shanghai, China. During the meeting, Deng Xiaoping stressed that in the process of normalization of the Chinese-Soviet relations, it is necessary to remove the three major obstacles. Three years ago, I said that among the three obstacles, the Cambodian problem should be resolved with priority. Vietnam must genuinely and totally withdraw its troops from Cambodia. The Soviet Union can make a great contribution to the issue. He added that China could contribute to world peace and strive to create a lasting peaceful international environment in order to achieve its prosperity and rid itself of backwardness.

#### **Sihanouk on Involvement of Foreign Forces**

*OW0702144889 Tokyo KYODO in English 1426 GMT  
7 Feb 89*

[Text] Beijing, Feb. 7 KYODO—Kampuchean resistance leader Prince Norodom Sihanouk warned Tuesday that an effective solution to the 10-year Kampuchean conflict cannot be devised by foreign forces.

Sihanouk, who is now in Beijing, made public to foreign reporters his written reply to questions sent from Singapore's STRAITS TIMES at the end of January.

He expressed in the opening of the message his intention to continue fighting until Kampuchea achieves complete independence, even if military assistance from friendly nations is cut off.

The anti-Vietnam Kampuchean resistance forces, Democratic Kampuchea, will continue to fight with the arms they have stocked or acquired by attacking enemy bases, Sihanouk said.

Diplomatic analysts said Sihanouk was countering China's vow to decrease military aid to the tripartite resistance coalition as Vietnamese forces are removed.

China also said it would end its support to resistance groups following the complete removal of Vietnamese forces from Kampuchea.

Sihanouk also warned that if the resistance coalition is forced to continue its struggle, both Kampuchea and any international surveillance group and peacekeeping forces sent to the strife-torn country would be endangered.

Sihanouk's harsh comment on outside involvement in the settlement of the Kampuchean conflict followed a China-Vietnam vice foreign ministerial meeting in mid-January and a China-Soviet foreign ministerial meeting which ended Saturday in which the two parties discussed a framework for a political solution after completion of withdrawal of Vietnamese troops in September.

Sihanouk suggested in a five-point plan for a peace settlement that the Vietnam-backed Heng Samrin government should be dissolved.

He is frustrated by the lack of support for his plan and fears that the Heng Samrin government may continue to hold real power if a four-faction coalition government including Heng Samrin is formed as suggested by foreign countries, the analysts said.

**Sihanouk-Li Peng Meeting in Beijing Reported**  
BK0802031589 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT  
7 Feb 89

[Text] On 1 February, Chinese Premier Li Peng met with Samdech Norodom Sihanouk in Beijing. During the meeting, Li Peng said Vietnam should genuinely withdraw all its forces from Cambodia under effective international control and should not attach any conditions. He said Vietnamese troops should not be stationed in Cambodia by changing uniforms to become puppet troops.

Regarding assistance to the Cambodian resistance forces, Li Peng said China disagreed with Vietnam over using the issue of ending assistance to Cambodian resistance forces as a condition for withdrawing Vietnamese troops. He further said China supports the setting up of a provisional four-party government headed by Samdech Norodom Sihanouk.

At the same time, Samdech Norodom Sihanouk recalled his five-point proposal to solve the Cambodian problem. Samdech Norodom Sihanouk said that elections should not be held within the framework of the puppet regime propped up by Vietnam in Phnom Penh. Samdech Norodom Sihanouk said he disagreed with the setting up of a national reconciliation council under the puppet regime but that he agreed with the idea of setting up a

provisional national reconciliation government. Samdech Norodom Sihanouk specified that this is not just his stand but also the common stand of the tripartite Coalition Government of Democratic Kampuchea.

Afterward, Li Peng said China supports Samdech Norodom Sihanouk's five-point proposal on solving the Cambodian problem. He said this five-point proposal is the common stand of the three Cambodian parties and is supported by the international community.

**USSR Ship Unloads 'Weapons' at Kompong Som**  
BK0802005489 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT  
7 Feb 89

[Text] On 15 January 1989, a 10,000-ton Soviet ship brought ammunition and weapons to Kompong Som Port for the Vietnamese enemy aggressors in Cambodia to continue their aggression and occupation of Cambodia as well as the massacre and extermination of the Cambodian race. On 19 January, the Hanoi Vietnamese enemy aggressors dispatched 20 truckloads of ammunition, weapons, and war materiel from Kompong Som Port to Phnom Penh.

This is a sign showing that Vietnam and the Soviet Union are not prepared to solve the issue of Vietnam's aggression in Cambodia. On the contrary, they are busily strengthening their forces and bringing more weapons and ammunition to continue occupying Cambodia militarily.

**700 SRV Troops Said Hidden in Stung Treng**  
BK0802032189 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT  
7 Feb 89

[Excerpt] On 1 February, the Hanoi Vietnamese enemy aggressors brought 700 fresh Vietnamese troops, all dressed in Cambodian soldiers' uniforms, in 20 trucks to Cambodia along Route 19 and secretly hid them in Lomphat, Bar Kev, Voeun Sai, and Stung Treng. [passage omitted]

**Secret Vietnamese Association Reported in Thailand**  
BK0802032789 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT  
7 Feb 89

["Article": "For What Purpose Are the Hanoi Vietnamese Setting Up Secret Organizations in Thailand?"]

[Text] Thai authorities in Nakhon Phanom Province recently uncovered a secret organization that the Hanoi Vietnamese set up in that northeast Thai province. Vietnamese residents in Thailand are members of this secret organization, which is administered and receives direct assistance from Hanoi and the Vientiane puppets.

The Thai authorities also noted that the Hanoi Vietnamese and their embassy in Bangkok have secretly provided strategic and tactical training for subversion when this is needed currently or in the future.

The issue of the Hanoi Vietnamese setting up secret organizations in Thailand has attracted great public attention in Thailand. What is the purpose of this secret organization set up by the Hanoi Vietnamese in Thailand? In order to understand this issue, we should look back.

1. Soon after the Hanoi and Saigon authorities signed a cease-fire agreement in South Vietnam on 15 August 1973, the Hanoi Vietnamese secretly dispatched many spies and all kinds of agents to South Vietnam and Saigon and launched an offensive against South Vietnam on 30 April 1975.

2. In Cambodia, when Democratic Kampuchea took over the country on 17 April 1975, the Hanoi Vietnamese pretended to have good diplomatic relations with Democratic Kampuchea. At the same time, the Hanoi Vietnamese dispatched various kinds of secret agents to Democratic Kampuchea to create subversion and cause havoc in the country. Along the border adjoining Vietnam, from north to south, the Hanoi Vietnamese sent elite and regular divisions of their troops, including those directly under the Vietnamese Army High Command, to harass Democratic Kampuchea along the border, and invaded and occupied Cambodia on 7 January 1979.

There is nothing surprising about the Hanoi Vietnamese setting up secret organizations in Thailand. People are aware that Vietnam aims to achieve its goals of setting up a small, then medium, and ultimately large Indochinese federation. Therefore, the secret organizations which the Hanoi Vietnamese are setting up in Thailand, the strengthening of military bases in Cam Ranh and Da Nang, and the expansion of the military port of Ream [in southwestern Cambodia] are preparations for moving toward controlling the Asia-Pacific region.

However, in a situation in which the Hanoi Vietnamese are economically drained because of the 10-year war of aggression in Cambodia, and in a situation in which the Hanoi Vietnamese are greatly isolated from the world, which is pressing the Vietnamese to withdraw their aggressor troops from Cambodia according to a clear timetable and program under international supervision, can the Hanoi Vietnamese achieve their Indochinese federation policies? People can easily answer that the Hanoi Vietnamese certainly cannot implement the strategy of setting up an Indochinese federation in Southeast Asia and the Asia-Pacific region.

In fact, in their 10-year war of aggression and occupation in Cambodia, the Hanoi Vietnamese have been vigorously opposed and persistently attacked by the Cambodian people, the DK National Army, and all Cambodian nationalist forces which have closely united in the struggle against the Vietnamese enemy aggressors. This

mighty force of the Cambodian people has completely bogged down the Vietnamese both on the battlefield in Cambodia and in Vietnam. If the Hanoi Vietnamese have the ambition of expanding further from Cambodia, the people and the governments of countries in Southeast Asia and the Asia-Pacific region will certainly unite and deal the Vietnamese the final blow.

## Indonesia

**Cambodian Resistance Beijing Summit Previewed**  
*BK0802043789 Jakarta Domestic Service in Indonesian*  
0000 GMT 8 Feb 89

[Station commentary]

[Text] Cambodian resistance leader Prince Sihanouk said last Friday [3 February] that Cambodian coalition leaders would meet in Beijing tomorrow [9 February] to discuss matters which should be discussed at the upcoming second Jakarta informal meeting on 19 February. The timing of the Beijing meeting coincides with the visit to the PRC by Thai Foreign Minister Sitthi Sawetsila.

The Thai foreign minister recently visited Hanoi to hold talks with Vietnamese leaders and plans to discuss the outcome of the talks with PRC leaders because as far as the Cambodian issue is concerned, Thailand is the PRC's ally.

What remains a major problem now is whether the withdrawal of Vietnamese troops from Cambodia must be linked to a reduction of PRC assistance to the Khmer guerrillas. Early last week, Phnom Penh's official daily PRACHEACHON quoted Thailand, which recently invited PRK Prime Minister Hun Sen to visit the country, as saying that the withdrawal of Vietnamese troops should be linked to a termination of assistance to the Cambodian resistance group. Two days later, the Khmer Rouge radio said that the Cambodian resistance movement rejects such an arrangement.

Observers in Beijing express hope that the scheduled meeting of the Cambodian resistance leaders tomorrow will [words indistinct]. Meanwhile, Vietnam has announced its planned troop withdrawal from Cambodia in March 1990, but if a political solution is reached, an earlier withdrawal schedule will be carried out this year.

Speaking in Bangkok 3 months ago while en route to Australia and New Zealand, PRC Prime Minister Li Peng said Beijing prefers to see the withdrawal of Vietnamese troops carried out in July 1989. Meanwhile, in his talks with PRC Foreign Minister Qian Qichen in Beijing last week, Soviet Foreign Minister Eduard Shevardnadze agreed to the withdrawal of the remaining Vietnamese troops in Cambodia. However, both sides were unable to agree to the format of the new provisional government in Phnom Penh. Such disagreement explained why the PRC Foreign Affairs Ministry



declined to specify the exact date of the planned visit to the PRC by Soviet President Mikhail Gorbachev when Soviet Foreign Minister Shevardnadze ended his Beijing visit late last week.

**Alatas on Normalization of Relations With PRC**  
*BK0802090989 Jakarta ANTARA in English*  
0852 GMT 8 Feb 89

[Text] Jakarta, February 8 (OANA-ANTARA)—The process of normalization in Indonesia's diplomatic relations with China is still continuing, while direct trade between the two countries is going on under the auspices of the Indonesian Chamber of Commerce and Industry (Kadin), Foreign Minister Ali Alatas said on Tuesday.

Answering a question during a working meeting with parliament, Alatas said that "the process of normalization is still continuing. But I cannot say when diplomatic relations could be opened."

Diplomatic relations between Indonesia and China were frozen following the aborted G30S/PKI [30 September Movement/Indonesian Communist Party] Communist coup in 1965. However, direct trade relations between the two countries were reopened in July 1985 under the supervision of the Kadin.

In 1987, the volume of trade amounted to about \$800 million with a surplus for Indonesia.

In connection with possible normalization, President Suharto last year called on China to make a clear statement that it would not interfere with the internal affairs of Indonesia and the other Southeast Asian countries, both at government and party levels.

The request is understandable because it is in line with the Bandung Ten Principles which had also been adopted by China.

The process toward normalization is carried out through the Indonesian representative office in the United Nations, Alatas said.

**Harmoko Says No Role for Opposition Press**  
*BK0702062789 Hong Kong AFP in English 0403 GMT*  
7 Feb 89

[Text] Jakarta, Feb 7 (AFP)—There is no place or role for an opposition press in Indonesia because it would run against the state ideology of Pancasila, Information Minister Harmoko has said.

"What should exist here is a national press which serves the function of giving true information to people, educating them and carrying out social control," THE JAKARTA POST quoted Mr. Harmoko as saying Monday [6 February].

The press should never stand as an opposition voice and should not harm the country's development, Mr. Harmoko said after meeting President Suharto.

"In this connection, the press's function should aim at motivating people to participate in the development process."

A positive interplay between the media, government and society was the main aim of the Pancasila press system, he added.

The five principles of Pancasila enshrined in the Constitution are belief in God, humanitarianism, national unity, democracy through consensus and social justice.

These tenets are seen as the basis for unifying the country's many diverse peoples and creeds and under a code of ethics all Indonesian journalists are required to adhere to them.

There is no formal censorship in Indonesia but the government expects the press to be responsible and treat carefully several issues, including ethnic and religious problems and the position of the first family, observers said.

Mr. Harmoko also reported to the president on preparations for National Press Day on Thursday, which he said would focus on popularising the Pancasila press system and promoting development of the national press.

**Minister on Economic Development of East Timor**  
*BK0802101189 Jakarta ANTARA in English*  
0842 GMT 8 Feb 89

[Text] Jakarta, February 8 (OANA-ANTARA)—There are no problems relating to Presidential Decree No 62 of 1988, which might obstruct the progress of economic development in East Timor, Coordinating Minister for the Economy, Finance and Industry and Development Supervision Radius Prawiro told ANTARA here on Tuesday evening.

According to the minister, first of all appropriate steps are necessary in each economic field to prevent distortion in East Timor's incoming and outgoing flows of goods.

The minister made this statement after his meeting with the ministers of communications, agriculture, trade, finance and the junior minister of industries and the director general of public administration and regional autonomy to discuss steps which will be carried out by the government to enhance economic activities in East Timor.

The situation in East Timor has already reached a stage which enables the stepping up of economic efforts, but because the province is still in the period of transition, all decisions issued by the respective government agencies should therefore be based on Presidential Decree No 62 of 1988, he stressed.

"We must take care that no undesired upheavals take place," he warned.

On the economic improvement of East Timor in the field of agriculture, funds are already available for this, Radius Prawiro said. And in the field of plantations, efforts will be carried out to rehabilitate the plantations which have previously been neglected, he added.

East Timor commodities which have bright export prospects according to Radius Prawiro are coffee, copra, cacao and minerals.

Furthermore the cottage industry in East Timor should be encouraged, he said.

In the animal husbandry sector East Timor is well-known for its cattle and buffalo, Radius Prawiro said.

Agriculture Minister Ir. Wardoyo, on the other hand, said that the problem of increasing the production of coffee as an export commodity of East Timor. [sentence as received]

Besides coffee, East Timor also produces coconut, kapok, clove and candlenut, which are potential export commodities, the minister of agriculture said.

**Students Stage Sit-In Over Dam Controversy**  
*BK0602104889 Hong Kong AFP in English 1027 GMT 6 Feb 89*

[Text] Jakarta, Feb 6 (AFP)—Some 40 Indonesian university students staged a sit-in at the Home Affairs Ministry on Monday [6 February] to protest the government's handling of a newly inaugurated dam in central Java.

Irrigation of the 76 million U.S. dollar Kedung Ombo dam, about 500 kilometres (300 miles) east of here, went ahead last month although nearly 2,000 people refused to leave their land, students and human rights activists said.

The students, who said they represented various universities in and around Jakarta, sat for more than two hours at the home affairs office demanding to see Home Minister Rudini, who was in parliament, according to officials.

After a tense argument with ministry officials, the students agreed to see Mr. Rudini's deputy and handed over a statement which was also addressed to President Suharto, witnesses said.

"We deeply regret this incident ... We fear that if the case is not resolved satisfactorily it could lead to feelings of mistrust, restlessness, fear and suspicions on the part of the people against the development program and the government which in turn could disturb national security," the statement said.

"We appeal to the government to immediately stop the flooding to avoid casualties which would worsen the situation," it added.

The dam, designed to generate a power station and to irrigate some 60,000 hectares (148,000 acres) of paddy fields, was funded by the World Bank, the Japanese Export-Import Bank and the government.

Some 37 villages covering an area of 6,000 hectares (14,800 acres) were vacated to make way for the dam forcing about 30,000 people to be resettled.

While most agreed to be moved, 1,911 villagers from 700 families stayed on their land after the dam was inaugurated on January 14, demanding fairer compensation from the government, the students said.

A similar protest was simultaneously held against the provincial legislative council in Semarang, capital of central Java, the students said.

The students said they had formed a "solidarity group for victims of Kedung Ombo development" and had some 2,000 supporters nationwide.

## Laos

**Joint Border Committee With Thailand Meets**  
*BK0702153589 Vientiane Domestic Service in Lao 1200 GMT 7 Feb 89*

[Text] A meeting between the delegations of the Thai-Lao joint border committee to find ways to settle the border problem in an area between Boten District, Sayaboury Province of Laos, and Chat Trakan District, Phitsanulok Province of Thailand was held at Hong Sadet Hall in Vientiane at 1430 today.

At the meeting, the Lao side was led by His Excellency [H.E.] Souban Salitthilat, deputy foreign affairs minister and chairman of the Thai-Lao joint border committee; the Thai side was led by H.E. Praphat Limpaphan, deputy foreign minister and chairman of the Thai-Lao joint border committee.

The meeting proceeded in an atmosphere of brotherly intimacy. Each side informed the other on the formation of the technical commissions from both sides—with each side having 8 members in its commission—assigned to jointly inspect the disputed area between Boten District, Sayaboury Province of Laos, and Chat Trakan District, Phitsanulok Province of Thailand. The technical commissions of the two sides will hold a joint meeting in Bangkok on 15 and 16 March of this year.

During the meeting, the two sides agreed that the current opening of the border points between Houai Sai [of Laos] and Chiang Khong [of Thailand], between Tha Naleng and Nong Khai, between Thakhek and Nakhon Phanom,

between Savannakhet and Mukhahan, and between Sam Tao and Chong Mek was aimed at meeting the needs for trade exchange, cooperation, and visits.

At the same time, the two sides agreed that if there is a need to open more border points, they will consult with each other. With regard to the need of local residents [on both sides of the border] who wish to visit each other as relatives and brothers, local authorities of the two sides will be responsible for making decisions on the matter by themselves.

The Thai side agreed to give assistance [to the Lao side] in the form of educational scholarships in fields such as agriculture, public health, and other areas, as well as equipment and laboratories for scientific experiment in various branches as required by Laos.

The two sides also discussed issues on taxes, transport service, and investment.

#### **Phoun Sipaseut Meets Thai Delegation**

*BK0702142889 Vientiane Domestic Service in Lao  
1200 GMT 7 Feb 89*

[Text] This evening at the Government Guest House in Vientiane, H.E. Phoun Sipaseut, vice chairman of the Council of Ministers and foreign affairs minister of the LPDR [Lao People's Democratic Republic], received a courtesy call from the delegation of the Thai-Lao Joint Border Committee led by H.E. Praphat Limpaphan, deputy foreign minister of the Kingdom of Thailand and head of the said committee which is currently paying a 3-day official visit to Laos.

The conversation between the host and guests was conducted in an atmosphere of brotherly friendship.

Phoun Sipaseut and Praphat Limpaphan exchanged greetings with each other and expressed mutual satisfaction with the bilateral negotiations that have materialized following an agreement and mutual understanding reached by the two prime ministers—H.E. Kaysone Phomvihane and H.E. General Chatchai Chunhawan—during the latter's visit to the LPDR in November last year.

On this occasion, Praphat Limpaphan brought a letter from Gen Chatchai Chunhawan inviting Kaysone Phomvihane, chairman of the Council of Ministers of Laos, to participate in the celebration ceremony at the Prathat Phanom Pagoda [in Nakhon Phanom Province of Thailand], which will be held on 17 February.

#### **Reception Marks CPV Anniversary, New Year**

*BK0802063789 Vientiane Domestic Service in Lao  
1200 GMT 7 Feb 89*

[Text] On the evening of 5 February, the Vietnamese Embassy in Laos held a reception in Vientiane to mark the 59th founding anniversary of the CPV [Communist Party of Vietnam] and in celebration of the traditional new year festival.

Attending the reception as guests of honor on this occasion were Phoun Sipaseut, Political Bureau member of the LPRP [Lao People's Revolutionary Party] Central Committee, vice chairman of the Council of Ministers, and minister of foreign affairs; Sali Vongkhamsao, Political Bureau member of the party Central Committee, vice chairman of the Council of Ministers, and minister of economy, planning, and finance; Saman Vi-gnaket, Political Bureau member of the party Central Committee and minister of education, culture, and sports; Oudom Khatti-gna, alternate Political Bureau member of the party Central Committee and minister of communication, transport, posts, and construction; Choummali Sai-gnason, alternate Political Bureau member of the party Central Committee and first deputy minister of national defense; Somlat Chanthamat, secretary of the party Central Committee and minister of propaganda and information; and Maisouk Saisompheng, member of the party Central Committee, head of the office of the party Central Committee and of the Council of Ministers, and chairman of the Lao-Vietnamese Friendship Association; along with other members of the party Central Committee, ministers, deputy ministers, and many high-ranking cadres of the Lao party and state. Ambassadors and representatives of various fraternal socialist countries to Laos also attended the reception.

On the occasion of this joyous traditional new year festival, Nguyen Xuan, ambassador extraordinary and plenipotentiary of the SRV to Laos, delivered a speech extending greetings and best wishes to Vietnamese experts and calling on them to make new efforts to achieve new progress. He also wished for the further consolidation and development of the Vietnam-Laos relations of fraternal friendship and all-round cooperation.

On behalf of the cadres, the LPRP Central Committee, and the Council of Ministers of the LPDR [Lao People's Democratic Republic], Phoun Sipaseut delivered a speech extending best wishes to the fraternal Vietnamese people, wishing them—under the leadership of the CPV, with beloved and respected General Secretary Nguyen Van Linh as head—new, still greater achievements in the new year in fulfilling various objectives as put forth by the sixth party congress. He also wished for the fruitful development, with each passing day, of the Laos-Vietnam special relations and all-round cooperation. He wished the Vietnamese party and state leaders good health and glorious success in leading the fraternal Vietnamese people to fulfill tasks through the effecting of new changes in the socioeconomic field.

#### **Press Release on Central Committee Session**

*BK0702142589 Vientiane Domestic Service in Lao  
1200 GMT 7 Feb 89*

["Press release on the seventh plenary session of the fourth party Central Committee"; dated 7 February—read by announcer]

[Text] The seventh plenary session of the fourth party Central Committee was convened in Vientiane between



25 January and 7 February 1989 under the chairmanship of Comrade General Secretary Kaysone Phomvihane.

The session heard reports from a number of services and localities. At the same time, it also studied a report presented by the party Central Committee Political Bureau.

The session unanimously appraised that the situation in the world and in Southeast Asia in 1988 profoundly and rapidly changed, thus showing that all nations have aspired to switch from confrontation to consultation and negotiation; to create an atmosphere in which tension and confrontation will be reduced; and to cooperate with one another under the principle of peaceful coexistence. This development has created numerous favorable conditions for us to carry out our national defense and national construction and development.

The year 1988 was one in which we effected all-round renovation by introducing the new concept and new thinking adopted by our party into all aspects of our social life. This new concept and new thinking have been translated into practice, as can be seen in our policy on economic structure, management mechanisms, and other policies with regard to our work in the domestic and international spheres. This phenomenon has become a new supportive strength affecting our business production, thus causing the emergence of an efficient, new-type, and model way of making a living. At the same time, it has also enabled us to see more clearly the direction to extricate ourselves from the bondage of the old mechanisms. A number of cadres and grass-roots units have also developed a sense of creativity and humility.

Though having encountered numerous subjective difficulties in the past year, for example the severe effects of drought, it appears that the situation in our country was basically peaceful and developed in a favorable manner.

On the other hand, in 1988 we came to understand more clearly some difficulties, limits, shortcomings, remaining problems, and a phenomenon of negativism which were emerging along with the evolution of renovation. The fundamental cause of this development has stemmed from that fact that we failed to profoundly appreciate the new concept, the economic structure policy, and the new management mechanisms adopted by the party. Organizing the implementation of these processes was also too weak; the qualitative standard of cadres was limited; and the working pattern was not changed in a timely manner.

With regard to the overall direction and goals in 1989, the session reaffirmed that all activities must be completely and drastically directed toward the new mechanisms; that attention must be vigorously directed toward the countryside, mountainous regions, and grass roots; that all potentials in the country must be totally exploited and utilized; that coordinated efforts must be made to solicit assistance and cooperation from foreign countries; that a sense of renovation must be clearly instilled in our socioeconomic

development; that national defense and public security maintenance work must be guaranteed so as to make the situation in our country peaceful; and that renovation must be implemented in depth with a view to creating conditions for us to enter the year 1990 and the coming years more triumphantly.

The session held that on the path of effecting renovation and consolidating, developing, and upgrading the popular-democratic system in order to gradually advance toward socialism—though we have encountered numerous difficulties and confusion—thanks to the unity within the party; the determination to carry out renovation among the entire party and masses; and with the sympathy, support, and assistance from the fraternal and friendly countries throughout the world, we will certainly score new victories in 1989.

[Dated] Vientiane, 7 February 1989

### Philippines

**Towns Near Clark Seeking Compensation for Noise**  
*HK0802043689 Manila PHILIPPINE DAILY GLOBE in English 8 Feb 89 p 7*

[By C. Ramas III and H. Melencio]

[Excerpt] Mabalacat, Pampanga—Irate residents of Mabalacat, fed up with the sonic pollution caused by flying aircraft of the United States Air Force, have sought the assistance of local officials for the materialization of the compensation package they have long been asking for.

Maximo S. Castro, former community affairs officer of this town and the present secretary of the PDP-Laban [Pilipino Democratic Party-Lakas ng Bayan-Nation's Strength]-Mabalacat Chapter, spoke in behalf of the residents here.

Castro demanded a compensation package of at least \$100,000 for each family of Barangays Mabiga, San Francisco, Sta. Ines, Mangalit, Poblacion, Mamatitang and San Joaquin whom he alleged were inconvenienced by the noise pollution since the establishment of the runway at Clark Air Base in 1945. The runway is just six kilometers from the said barangays.

Castro told the GLOBE they have been struggling for the compensation ever since, but the government has remained ignorant of their plea.

The grievance of the people of this town has been brought again to the attention of local officials, Castro said.

The noise pollution caused by jet fighter planes of the U.S. Air Force affects the vital organs of the human body, like the ear drum, heart, kidney and the nervous system, according to the findings of the Meteorological Society of America.

The jet fighter planes fly as low as 200 feet over roof tops.  
[passage omitted]

**Migrant Farm Workers To Ask U.S. for Visas**

HK0802022089 Quezon City Radyo ng Bayan  
in Tagalog 0200 GMT 8 Feb 89

[Text] The Philippines plans to negotiate with the United States Government so that Filipino farm workers wishing to work in the U.S. may be given immigrant visas. On the other hand, the U.S. Embassy in Manila has said that the U.S. Government will wait until harvest time in September to determine if the country will require migrant farm workers. According to a source in the Department of Foreign Affairs, Secretary Raul Manglapus has not suggested to President Corazon Aquino that she discuss this issue with President George Bush if they should meet during the funeral of Emperor Hirohito in Tokyo.

**Manglapus Cautious on Effects of Japanese Buildup**

HK0802124089 Hong Kong AFP in English 1223 GMT  
8 Feb 89

[Text] Manila, Feb 8 (AFP)—Proposals for Japan to assume a bigger share to the defense of the region is a "delicate matter" that would be viewed "with great caution" by other Asian countries, Philippine Foreign Secretary Raul Manglapus said Wednesday.

"That has been a public issue in Japan. There are those who feel that asking Japan to have a bigger share in its defense of the region might mean an expansion of certain services," Mr Manglapus told reporters.

"An expansion means not only in number but also in areas covered. That might reach out to Southeast Asia. And that would be a delicate matter," he said.

"That is one thing that would be viewed with great caution by many countries, I am sure," he added, but did not elaborate.

The Philippines was among Southeast Asian nations occupied by the Japanese imperial army during World War II. But Tokyo is now among Manila's biggest trading partners and source of official development aid.

There have been unofficial proposals to make Japan share the rent for two large U.S. military bases in this country.

**Japan Donates Ships, Helicopters to Coast Guard**

HK0802054689 Quezon City Radyo ng Bayan  
in Tagalog 0400 GMT 8 Feb 89

[Text] Six search-and-rescue vessels and helicopters will be handed over by the Japanese Government as a donation to the Philippine Coast Guard. According to Coast Guard commandant Commodore Pio Garrido, the vessels will be

used for sea rescue operations. The first four of the six ships are scheduled to arrive in the country this year, while the rest will be handed over in 1991.

**Diplomat Urges More Embassies in Middle East**

Manila Far East Broadcasting Company  
in English 2300 GMT 6 Feb 89

[Text] A top official of the Department of Foreign Affairs [DFA] urged the Philippine Government to expand economic relations with six Middle East nations belonging to the Gulf [words indistinct] countries. Director general of the DFA's Office of Middle East and African Affairs Ambassador Pacifico Castro noted that the six countries—Saudi Arabia, the United Arab Emirates [UAE], Kuwait, Qatar, Bahrain and Oman—have the biggest potential for economic expansion in terms of trade and manpower development.

Castro cited two reasons for [words indistinct] Gulf countries for the Philippines' economic expansion. First, these countries, as a region, have the highest gross national product per capita, as compared to the GNP per capita of those nations belonging to the Group of Seven industrial states [words indistinct] for mutual cooperation and the Association of Southeast Asian Nations. Second, there are 500,000 Filipinos working in those countries. Castro said there are 358,000 in Saudi Arabia, 80,000 in the UAE, 70,000 in Kuwait, and 15,000 each in Qatar, Bahrain and Oman. He therefore urged the opening of Philippine embassies in Qatar, Bahrain and Oman, in addition to the existing Philippine embassies in Saudi Arabia, UAE and Kuwait. He added that the opening of such embassies will not only help the 45,000 Filipinos employed in the three countries, but they will also help expand economic relations.

**President Aquino To Publicize Marcos Offer**

HK0802104089 Manila Manila Broadcasting Company  
DZRH in Tagalog 0800 GMT 8 Feb 89

[Text] Chairman Mateo Caparas of the Presidential Commission on Good Government [PCGG] will not hold official talks with any representatives or lawyers of the Marcos family in New York. This was clarified today by PCGG commissioners who claimed that they had no knowledge of the Marcos' family desire to negotiate with the Aquino administration.

According to PCGG Commissioner David Castro, Caparas was not instructed by the president to meet with Marcos' representatives. Instead, he went to New York to settle PCGG business there, including overseeing the sale of Marcos' properties there as well as meeting with the prosecution panel in connection with the racketeering charges filed against Marcos. The prosecution has allegedly revealed that Marcos' representatives might in the next few days make an offer related to the case pending against Marcos in the U.S. Federal Court. Caparas was supposed to represent the Philippine Government if such a need should arise.

Here is a statement by PCGG Commissioner David Castro:

[Begin recording in English in progress] ...is none of PCGG's activities. And therefore, we are not involving ourselves one way or the other. But to our political leaders, that is a major concern. [end recording]

Meanwhile, the president is prepared to announce to the public whatever offer is conveyed to PCGG Chairman Mateo Caparas by Marcos' representatives. Details from Vic Pambuan, reporting from Malacanang Palace.

[Begin recording] [Pambuan] President Corazon Aquino is prepared to announce to the public any message about Marcos from PCGG Chairman Mateo Caparas. The president said that she sent Caparas to the United States to find out any offer that may be conveyed by Marcos' representatives. She said that she would listen to any offers, but that it did not mean that she would negotiate with them.

[Aquino in English in progress] ...transmitted to me, there is none. He is still waiting for them to present him with a letter of authority coming from Mr Marcos, signifying that these are indeed his representatives. To this day, we have not received any confirmation. So, there is nothing to report. [end recording]

**Armed Forces Spokesman Comments on Marcos Return**  
*HK0802102889 Manila Manila Broadcasting Company*  
*DZRH in Tagalog 0800 GMT 8 Feb 89*

[Slantlines denote passages in English]

[Text] Here is a report from Camp Aguinaldo by Bing Formento, of Mobile Unit 11:

[Begin recording] [Formento] Commenting on attorney Rafael Recto's claim that he is among the people to be arrested by the government, particularly the military, in the event former President Marcos returns, here is Armed Forces spokesman Colonel Oscar Florendo. Colonel, good afternoon, sir.

[Florendo] Good afternoon.

[Formento] Please tell us if there is any truth to attorney Recto's charge. Do you know anything about it?

[Florendo] I know nothing about it. The list he has referred to does not exist. Wherever he saw this list, perhaps, he should disclose the identity of the list keeper, so that we may know. We know nothing about this.

[Formento] What could have have been the cause of Recto's accusation?

[Florendo] They alone know the purpose. We don't know whether this was a voluntary statement. But this could only be a rumour. There are plenty of rumour mongers.

[Formento] Does any part of the contingency plan order the arrest of some personalities in the event Marcos returns?

[Florendo] On the return of former President Marcos, there is a list of what?

[Formento] That Marcos' supporters will be arrested.

[Florendo] /That's crazy./ If they are not violating the law, why should they be arrested. /I think anybody just does not need a list./ Whoever violates our /legal processes, anyone that commits a crime, they should be arrested. But just because a person is coming back and then we start picking up people, I don't think that is right. I don't think we are that crazy to put up anything like that./

[Formento] Sir, does the military have any recommendation to President Aquino on whether it is right to allow the former president to return?

[Florendo] Concerning that question, Bing, the Armed Forces' stand is that /the return of the former president is a political question and the Armed Forces is not part of any political decision. Now, if they ask the Armed Forces, then maybe we can submit a comment./ But I am not aware of any positive or negative comment. /As I said, this is a political decision./ The Armed Forces has no hand in the /political decisionmaking./

[Formento] Concerning the reports that the loyalists are planning to demonstrate, have you received any intelligence reports on this? That some groups will launch destabilization plans?

[Florendo] I have been reading about this in the newspapers. But there is none from our own sources.

[Formento] Thank you, Colonel. If you have an announcement for our countrymen, the floor is yours.

[Florendo] What I can only say is that /if what people do is an exercise of their political rights and as long as they do not violate the law, I think that this government has enough experience to allow them. This is better. So if they are just exercising their political rights, and this is the right of every person, then I don't think that we could object./

[Formento] Thank you very much. That was Colonel Oscar Florendo, the Armed Forces spokesman. [end recording]

**Marcos Message May Contain 'Substantial Offer'**  
*HK0802053289 Quezon City Radyo ng Bayan*  
*in Tagalog 0400 GMT 8 Feb 89*

[Slantlines indicate passages in English]

[Text] Senator Ernesto Maceda says President Aquino should agree to see Vice President Salvador Laurel because he says Marcos' /secret message/ contains a large financial offer.



[Begin Maceda recording] Yesterday Senator Tamano told me he spoke to Vice President Laurel who said that the message contains /a very substantial offer/. So if only for that, then the president can listen and if she wants to be sure that she is not accused of engaging in secret negotiations, then she can see to it that several senators and congressmen and members of the cabinet—maybe the Security Council as well—are present when Vice President Laurel reports to her. But I see nothing wrong, or no harm to be done, if she would listen to him, /because from what I have heard, the offer in that /secret message/ is quite /substantial./

Meanwhile, Senator Edgardo Angara says the people should know the truth behind Marcos' offer, so as to end all the speculation and confusion.

[Begin Angara recording] /Before we can get hold of this situation, there is so much speculation going around and there seems to be no one in charge./ It is important for the people to have /the uncertainty cleared up./ because as it is now, no one knows what is going to happen—whether it is true that negotiations for a settlement are going on with Mat Caparas and the lawyers of the PCGG [Presidential Commission for Good Government], and what President Marcos' real offer is. /We must have a clear direction now and remove all this uncertainty/ which is muddling up the thinking of many people and is the cause of all the rumors circulating around the country. [end recording]

Meanwhile in Malacanang, President Corazon Aquino stressed that the stability we are experiencing today is something that must be nurtured by everyone. The president said this as she warned that the Filipino people may forget about the recent regime of former President Marcos. The chief executive said stability cannot be maintained if the proper steps are not taken. She said this is the basis of our democracy. President Aquino made these remarks as she again declared her refusal to allow former President Marcos' return to the country.

**Senator Dismisses Rumors of Military Takeover**  
*HK0802021889 Manila Manila Broadcasting  
Company DZRH in Tagalog 0005 GMT 8 Feb 89*

[Slantlines denote passages in English]

[Text] [Unidentified reporter] We have been receiving some reports this morning on our program. We now have Senator Ernesto Maceda, chairman of the Senate Committee on Defense and National Security. Good morning, Mr Senator. Last night there were rumors that you are on the list of those who may be arrested, as part of what is being called a contingency plan. What can you say about this?

[Maceda] Well, that is shocking news, but in the event that there is such a plan, the implication is that this is no longer a contingency plan. It means a military takeover. And if that is what will happen, I think it won't be just myself but all my colleagues—Senator Angara and the others.

[Reporter] Many are saying that you, as chairman of the Senate Committee on Defense and National Security, should have information on something like this. Do you plan to investigate this, sir?

[Maceda] Oh, no. As you well know, rumors like that are a problem. Even if you investigate them, /there will be denials all around./ All I can say is that two groups in the armed forces would be involved in this—the group belonging to the higher echelons who may be hatching something, and the group in the lower ranks. /The question is: Will this latter group go along with some of their senior officers who might be thinking of this?/ I think they are mistaken. I believe they should not be thinking of this, if indeed they are, /because I don't think that they will get any support for anything like that./

[Reporter] Do you have any plans to find out if there really is such a list, which they say is in the hands of the Criminal Investigation Service of the Philippine Constabulary?

[Maceda] /Well, if there is such a list, I would know about it because it should not be said...[changes thought] General Evaristo Carino is a cousin of mine./ [laughs] But it's all up to them. Perhaps now that this report has been leaked, they will come up with denials, and some of them will probably try to see me to explain to me that there's no such thing. In my opinion, this is what will happen.

[Reporter] Senator Maceda, perhaps we should take this opportunity...

[Maceda, interrupting] Perhaps all those rumors are being spread by Raffy Recto [Marcos lawyer].

[Reporter] What is your stand on this Marcos issue? Are you in favor of allowing the former president to return? What will become of him in Hawaii?

[Maceda] Well, first of all, partly because of this Laurel mediation, which I heard on your program, /there are many new factors which we do not know about. We do not know what this secret message is all about, we also don't know the extent of these negotiations supposed to be going on—although it was denied today between Mat Caparas and the Marcos group, through Danding Cojuangco. As matter a fact, I have been partly keeping track of this. I know that Mat Caparas has been meeting with the representatives of Bobby Benedicto, even in Hong Kong, two or three times already. Now my point is: We are not now in complete possession of the facts. This is one time I will concede that only the president is in complete possession of the facts. But in following the policy of transparency that she is invoking in the case of Doy Laurel, I think the

president must also come out with everything that is in her possession. I don't think that she has also completely revealed all the facts and other circumstances attendant to this whole Marcos case—from Switzerland to New York to San Francisco to Hawaii. And if you will remember/ with Congressmen Sumulong and Tanjuatco, /we never got to know what the facts were, as far as those meetings were concerned. So in short, I cannot now dare give or finalize my stand on the matter until and unless the president reveals this fact; and maybe to begin with, they should call all the members of Congress and brief us on what is the true state of affairs./

**Congressional Opponents Deny Destabilization**  
*HK0802103689 Manila Manila Broadcasting Company  
DZRH in Tagalog 0800 GMT 8 Feb 89*

[Text] The opposition in Congress has reiterated that it is not engaged in efforts to destabilize the government. This was its response to an announcement from the Defense Department that the government is prepared against any trouble that might result from the return of deposed President Ferdinand Marcos.

House minority floor leader Rodolfo Albano said that his group has nothing to do with any plans of the so-called Marcos loyalists.

[Begin Albano recording] What is it that they are afraid of and are preparing against? I do not think there are any forces out to destabilize this government. I do not know. It is up to them to engage in all kinds of preparations, but we in the opposition are not involved in anything. We are simply asking that President Marcos be allowed to return home. The loyalists are a different group and do not belong to the KBL [Kilusang Bagong Lipunan—New Society Movement]. [end recording]

When asked about allegations by Marcos loyalist Rafael Recto that he along with Vice President Laurel and Senators Enrile and Maceda, are to be arrested, Albano had this to say:

[Begin recording] We do not know anything about this. [end recording]

Earlier, Defense Secretary Fidel Ramos said that the Armed Forces of the Philippines has drawn up contingency plans in case the former president is allowed to come home.

This is Dick Sintiongco reporting for DZRH News.

**Marcos Said Using Health To Avoid Prosecution**  
*HK0802104889 Manila Manila Broadcasting Company  
DZRH in Tagalog 0800 GMT 8 Feb 89*

[Text] Vice President Salvador Laurel is under fire in the Senate, says Senator Victor Ziga, who added that Laurel is being used by Mr Marcos as part of the latter's political tactics.

Meanwhile, Senate President Jovito Salonga has warned that the Marcos family could evade court trial in New York if they are allowed to return to the Philippines.

Here is Cesar Chavez of Mobile 9 with the details:

[Begin recording] The news from the Marcos camp in Hawaii that the former president is dying and that he should be allowed to return to the Philippines as soon as possible is a sheer lie.

In a briefing to Senate reporters, a senator who has had direct communications with several Philippine Government lawyers based in the United States charged that the Marcos family simply wants to avoid arraignment for racketeering charges before the New York District Court. He added that as the arraignment dates approach, here is a lot of publicity about his dying. But once the hearing date is postponed, then news about his improving condition surfaces.

According to the latest news from New York as received by this senator, the hearing originally set for tomorrow has been postponed to 6 March. The tactics of the Marcos lawyers in Hawaii now are to spread news of a dying Marcos and demand that he be allowed to return home as soon as possible.

The request for Marcos and his family to return home is merely a tactic employed by Marcos' lawyers so the family can evade tough anti-racketeering laws in the United States.

Should Mr and Mrs Marcos be allowed to return to the Philippines, the New York court will lose jurisdiction over the case because of the absence of an extradition treaty between the Philippines and the United States. This means that the U.S. courts could not ask the Philippine Government to extradite the former president to face the racketeering charges.

The senator further said that if Mr Marcos is genuinely sincere about making an offer now, he should do so before 6 March in order to demonstrate no deception on his part.

Meanwhile, speaking in a separate interview, Senator Victor Ziga claimed that Marcos is merely using Vice President Salvador H. Laurel as part of his political tactics. If Marcos sincerely wants to negotiate with the Aquino government, then he should not use Laurel, as he has no credibility. Ziga added that Laurel is not in a position to negotiate on behalf of Marcos because Laurel belongs to the opposition and is not trusted by Mrs Aquino. [end recording]

**Ileto To Take up Security Adviser Post**  
*HK0802053689 Quezon City Radyo ng Bayan*  
*in Tagalog 0400 GMT 8 Feb 89*

[Text] Former Defense Secretary Rafael Ileto will take up his post as national security adviser on 16 February. In this connection, President Aquino said it will not be necessary for former national security adviser Emmanuel Soriano to submit his letter of resignation. Ileto resigned as defense secretary on 21 January last year because of disagreements over the country's national defense policy. Soriano, the president's first national security adviser, has been criticized for his involvement with the diggings for Japanese buried treasure in Ft Santiago.

**Thailand**

**Study Shows GSP Losses Less Than Expected**  
*BK0802083589 Bangkok THE NATION in English*  
*8 Feb 89 p 13*

[By Witsanu Cholitkun]

[Text] The Commerce Ministry, in a study being prepared for next Tuesday's Cabinet meeting, has found that Thailand will suffer less than previously expected from the partial withdrawal of rights to the US Generalized System of Preferences (GSPs).

Commerce Minister Subin Pinkhayan ordered the study following US President Ronald Reagan's announcement, shortly before he left office last month, that eight Thai exports would no longer be allowed duty free into the United States under the GSP programme because of Thailand's failure to satisfy US demands on intellectual property.

The study draws on comments from representatives of the companies manufacturing and exporting the eight products to be charged normal US import duties from July 1. It concludes that initial reactions to Reagan's announcement were confused because it was not clear at the time what the exact implications were.

According to a Commerce Ministry source, information from the United States now shows, for example, that in the hardwood furniture category, the withdrawal of GSP rights does not apply to chairs or to any furniture items made of teak. Thailand's export volume of the items affected is said to be tiny and the import duty that has been restored is 2 percent.

The major Thai furniture exports are chairs, which would face import duties of 2-14 percent, but the manufacturers told Commerce Ministry officials that they had been preparing for exclusion from the GSP programme for three years now, by turning to products not in the programme. They also told officials that they were enjoying a steady stream of orders.

Exporters of artificial flower also told ministry officials they were relieved to find that the only category removed from the GSP programme are hand-wrapped artificial flowers made from some types of fabric. The duty now restored is 17 percent but the volume of exports from Thailand is said to be low.

Thailand's main artificial flower exports, still allowed into the United States duty-free are those made from polyester fabric, with duty normally at 13 percent, and from plastic, with duty at 4 percent.

The study therefore concludes that Thailand's exports will not suffer much because the only competitor receiving GSP rights is Macao, which cannot make the same range of flowers.

The product likely to suffer most from the GSP cuts appears to be jewellery in the category known as 740.05—those priced at below US\$18 per dozen. Thailand's market share is expected to decline fast in the next few years, because of the 28 percent import duty that will now be charged and because of the competition from Chinese manufacturers who have set up operations with Hong Kong investors.

Thai jewellery in other categories—740.14 and 740.15 which are items made with precious metals—are expected to remain competitive, although the recent growth rates of 50-80 percent per year will not be sustainable.

According to the source, final calculations of the cost of the taxes, and alterations to the volume of exports following the imposition of the taxes have not yet been completed. Officials still have to assess how the market will react to the inevitable changes in prices, and how much of the cost can be passed on to American importers and consumers.

The final assessment should be submitted to Commerce Ministry Permanent Secretary Phatchara Itsarasena in time for presentation to the Cabinet next Tuesday.

In all, eight product categories of Thai exports were dropped from the GSP programme in Reagan's announcement. Some kinds of artificial flowers, hardwood furniture and mosaic tiles suffered straight removals from the programme. Reagan rejected a request to keep one category of jewellery within the programme even though the export value had reached the maximum normally allowed for eligibility. Previous waivers granted on another jewellery category, telephonic and telegraphic connectors, rice flour and meal and dried mung beans were also scrapped, effectively removing these products from the programme.



The United States estimated that the eight products represented a combined total of \$165 million in imports from Thailand, but officials in Washington did not say how much they thought Thailand might lose from the imposition of the import duties.

Attached to the announcement was a warning from Clayton Yeutter, at that time US Trade Representative, that Thailand would be a prime candidate for tougher, separate retaliation under Section 301 of the US Trade Act if there is no significant change in policy over computer software copyright and pharmaceutical patents.

**Chatchai Defends Cambodian Diplomatic Moves**  
*BK0802011389 Bangkok BANGKOK POST in English*  
8 Feb 89 p 1

[Text] Prime Minister Chatchai Chunhawan defended his Kampuchean peace initiative yesterday, saying ASEAN leaders had endorsed Phnom Penh Premier Hun Sen's unofficial visit to Thailand.

Rejecting reports that ASEAN leaders felt the Hun Sen visit would jeopardise progress in the Kampuchean peace process, a visibly irritated Gen Chatchai said: "I want to know whether the criticism comes from ASEAN or from Thais."

Gen Chatchai said he was unaware of reports that Thai diplomats in the region had told Bangkok of concern being raised in their host countries.

Gen Chatchai said he was never given such information.

"Nobody told me about it," he said. Before inviting Hun Sen to Bangkok, he said, he had consulted "all my friends, be they President Suharto, the Malaysian deputy prime minister or Mr Ritthaudin. All agreed".

Gen Chatchai said ASEAN's long-standing policy to negotiate only with the three Khmer resistance factions had achieved little in more than a decade.

"The problem was deadlocked until we finally talked to the fourth party for a couple of days," he said. "We should be happy."

"The Kampuchean problem has persisted for more than 10 years and we cannot let it go on for another 10 years or perhaps more. Just think of the time we've wasted."

The Prime Minister who did not see the need to explain Thailand's actions to the other member states said: "It's strange to say it's not good when I can talk to all four parties."

Urging his critics to "think of ourselves rather than others if we want to improve trade relations," Gen Chatchai said continued unrest would only obstruct trade prospects.

Government Deputy spokesman Likhit Hongladarom admitted yesterday that there had been some talk and consultations at the permanent secretariat and ambassadorial levels about Hun Sen's visit.

"But we do not count them at the government level," Mr Likit said.

Referring to Prince Norodom Sihanouk's telex advising the Foreign Ministry he was turning down Gen Chatchai's invitation to Bangkok, the premier said: "I haven't seen it."

Gen Chatchai was puzzled why the telex had not reached him in spite of the fact he personally invited the prince "to play jazz" in Bangkok and not attend any meeting.

Sihanouk had made clear he would not attend the Second Jakarta Informal Meeting this month but had assigned his son to go instead.

"It's still an honour to have his son there," he said.

Gen Chatchai said Thailand still recognised the importance of Sihanouk to the Kampuchean question. "How can we leave him alone when we still strongly support him," he said.

**Sihanouk Reportedly Declines Invitation**  
*BK0702133389 Bangkok THE NATION in English*  
7 Feb 89 Afternoon Edition p 1

[Excerpts] Prime Minister Chatchai Chunhawan this morning dismissed the concern reportedly expressed by ASEAN countries over his recent talks with the Vietnamese-backed Phnom Penh regime. [passage omitted]

Chatchai also said that he is still waiting for a reply to his invitation to Kampuchean resistance leader Prince Norodom Sihanouk "to play jazz" in Bangkok.

But Foreign Minister Sitthi Sawetsila said this morning that Sihanouk has turned down the invitation.

He said the prince had telexed the Foreign Ministry saying that it was not appropriate for him to visit Thailand for the time being. According to Sitthi, the prince said in the telex that he might visit Thailand in November or December.

Sitthi said he will meet Sihanouk when he visits Beijing this week. The foreign minister is scheduled to leave for China on Thursday [9 February].

Chatchai said he was unaware of Sihanouk's reply to his invitation. "Why didn't he answer through my telex machine?" Chatchai said when told that the prince sent his telex to the Foreign Ministry.

### **Actions Criticized**

BK0802094789 Bangkok *BAN MUANG* in Thai  
8 Feb 89 p 2

[Editorial: "Peace Destroyer"]

[Text] Prince Norodom Sihanouk recently gave a widely publicized press interview in which he accused Thailand, Vietnam, and China of conspiring to divide Cambodia into two parts—one part each under the protection of Thailand and Vietnam, with China acting as the mediator. Hailing himself as the symbol of Cambodia, Prince Sihanouk said he would never allow this to happen.

This statement by Prince Sihanouk will have a great effect on the good intentions of Thailand toward the fate of Cambodia and the people of Cambodia. Thailand has shown the Cambodian factions, as well as the world, that it wants to see the Cambodian people achieve national reconciliation and end their civil war and the struggle for administrative power, which has caused difficulties for neighboring countries, particularly Thailand.

If Thailand had not taken into account the humanitarian aspects, if it did not follow the instructions of other countries, and if it had not become involved with any Cambodian faction, the Thai people would be living more peacefully than they are now. Giving assistance and shelter to the three factions at the border areas, Thailand has suffered a heavy loss of money and the lives of soldiers and civilians. What Thailand has gained in return for its hospitality and support to the three Cambodian factions can now be seen in the words from the lips of Prince Sihanouk.

Given the present situation in Cambodia, the Thai Government must reconsider what is most suitable and appropriate. Looking at the political strategy angle, we must accept the ability of the Heng Samrin faction to rule a majority of the Cambodian people. The tripartite faction led by Prince Sihanouk can only exist through the support of other countries, including Thailand. If we continue to support the tripartite faction, the positive and negative effects on Thailand can plainly be seen.

Prince Sihanouk's attitude shows the people of Thailand and the world that he is not fighting for Cambodia nor the people of Cambodia, but for his own benefit and power over the Cambodian people. If Prince Sihanouk had really worked for the interests of the country, the Cambodian people would not suffer as they are today. His attempt to convince the world that he is the symbol of Cambodia is an act of self-aggrandizement that will be a factor in destroying peace and order in this region.

**Commentator Sees Risks From Hun Sen Visit**  
BK0802014989 Bangkok *BANGKOK POST* in English  
8 Feb 89 p 4

[Commentary by Surin Phitsuwan: "Reflections"]

[Text] Controversy over Hun Sen's visit to Bangkok still lingers in the corridors of power here and abroad. Some speculate that the Second Jakarta Informal Meeting (JIM

II) is now in troubled diplomatic waters. Prince Norodom Sihanouk, president of the Coalition Government of Democratic Kampuchea [CGDK], is said to be extremely disturbed by the surprising turn of events in favour of his political foes in Phnom Penh.

The United States has shown signs of a renewed effort to shore up the non-communist factions of the CGDK, which means a lack of confidence in the Hun Sen leadership. The Chinese are suggesting that the Vietnamese-backed Heng Samrin-Hun Sen regime in the Kampuchean capital be dissolved and be replaced by a "provisional coalition government" headed by resistance leader Prince Norodom Sihanouk. The Soviet Union, on the other hand, prefers "a provisional organ" under the mecurial prince with quadripartite representation.

But for the Thai people, the most disturbing aspect of the latest diplomatic episode is the fact that our foreign policy establishment has been perceived to be in disarray, and serious negative implications on our national interests can be foreseen.

While the Prime Minister [PM] and his Foreign Minister are still trying to appear as a "team work" on foreign policy, there are many indications of tension and fatigue on both sides. In one stroke, Prime Minister Chatchai Chunhawan appears to have wiped out all the praise and pride which the Thai Foreign Ministry under Air Chief Marshal Sitthi Sawetsila won from the international community. The maverick Prime Minister has not only infused new dynamism into the Kampuchean diplomatic process, he also has turned some of the fundamental principles of the previous Thai coalition government upside down.

For one thing, ASEAN's united stand on the Kampuchean issue has been that the matter was, remains and shall be "an international problem" needing the cooperation of the international community, the United Nations, the superpowers and all major economic blocs to resolve. Vietnam, on the other hand, has always been insisting that Kampuchea was, is and shall remain "a regional issue" that only requires the effort of ASEAN nations and Indochina states to settle it.

On this point of difference, Prime Minister Chatchai appears to be giving Hanoi's argument the credibility that it has lacked during the past decade. His unilateral action, although a brilliant diplomatic move, on the Hun Sen visit with the climax of a sumptuous feast aboard the *Oriental Queen* cruising down the River of Kings has put at least 122 friendly governments in an embarrassing situation. After 10 years of pleading and praying, we have decided to go it alone on the risky diplomatic road to Phnom Penh.

ASEAN has always been united in its stand that the use of foreign forces to topple a government and install a new one in its place is a serious breach of the United Nations' principle of non-interference and self-determination. We

do not want the law of the jungle to be accepted as the basis of international relations. Brute force should play no part in a civilized community of nations. The visit of Hun Sen has undermined ASEAN's solid position which has won support at the United Nations' General Assembly and other international forums. We appear to be suggesting to the world that we no longer mind how a government comes into being. We seem to be placing more emphasis on its efficiency and political control over a country. Friends and allies may now think that for us the end justifies the means and that might is indeed right when our short-term interests are at stake.

No one should fault the Prime Minister of his sincerity and determination in solving the Kampuchean problem. As an experienced diplomat who opened Thailand's relations with the People's Republic of China, he definitely deserves credit for his flashes of diplomatic brilliance.

But that is where the trouble comes. The Prime Minister's temperament and style need a very dynamic and effective foreign policy establishment. After all, a stroke of genius still needs a frame and a perspective to enhance its aesthetic values.

The reluctance of the Prime Minister to go through normal diplomatic channels to carry out his objectives revealed his mistrust and lack of confidence in the current foreign policy apparatus.

Experienced foreign affairs observers are worried about this "confidence gap" that apparently exists between the Prime Minister's Office and other foreign policy establishments. They appreciate the PM's dynamism, but they wish that the traditional foreign policy circles would offer advice and temper his flamboyance with the wisdom of protocol. If the objective is to infuse life and dynamism into the Kampuchean peace process, meeting with Hun Sen appears to be a very good idea. But when and how and after what diplomatic groundwork, should be the contribution of the Foreign Ministry. Without trust and communication, such contributions have been impossible.

Naturally, the Prime Minister and his advisers would have to turn to another channels with its own apparatus to help with the necessary technical arrangements of the Hun Sen visit: enter the military into the Kampuchean tango.

With its own ambitions and complicated motives of the military players in the process, the issue has become more complicated than it should have been for our own national interest.

The question is how long can this curious and disturbing situation last? Current Thai foreign policy appears to be drawn by a troika. But rather than one carriage driver conducting the three horses, we are now having three drivers driving the troika into diverging directions. Our foreign policy is being "militarised" by default. Our

foreign policy establishment is adjusting to a new style of diplomacy, but very slowly. Meanwhile, the uniform of the carriage driver appears more and more like that of an active three-star general.

#### **Dailies Assess Chatchai's Indochina Policy** *BK0402154089*

[Editorial Report] Three Thai-language dailies—NAEO NA, SIAM RAT, and BAN MUANG—on 1 and 3 February carry editorials and a column on Prime Minister General Chatchai Chunhawan's foreign policy toward Indochina and the Cambodian problem.

NAEO NA's 1 February editorial on page 5, entitled: "The Team of Skillful Hands," says that Chatchai, after barely 6 months as prime minister, has almost achieved his objective to turn the Indochinese battlefield into a marketplace. This achievement of Gen Chatchai, the paper continues, should be recorded in history, and it would come as no surprise if Chatchai wins the Noble Peace Prize, because the Indochinese wars have caused suffering for millions of people for many years. The daily says that war has been carried on in a disgusting manner, and intervention by the world superpowers has caused war to go on endlessly; it also says the Foreign Ministry should appreciate and publicize worldwide Gen Chatchai's achievement.

The editorial adds: "we would like to mention that Gen Chatchai's success is attributed to the support and assistance of various sides: 1. the prime minister's advisory board for foreign affairs, 2. the foreign minister and his working team, 3. the Army commander in chief and his working team, and 4. the present government parties."

The editorial concludes: "The fate of the Indochinese countries depends on the decisions to be made by the leadership of each country. What the Thai leaders have done is only a step leading toward betterment. The JIM 2 [second Jakarta informal meeting] is another important turning point for Indochina and ASEAN."

SIAM RAT's 3 February editorial on page 8, entitled: "There Is Nothing To Worry About in the Foreign Policy," says that developments have obviously proved that Chatchai's invitation for People's Republic of Kampuchea [PRK] leader Hun Sen to visit Thailand for familiarization talks was a correct step. Although Coalition Government of Democratic Kampuchea leader Prince Sihanouk protested it by saying that he would not join the JIM 2, he finally agreed to send his son, Prince Ranariddh, to the meeting. In addition, there is also a confirmation from Government House that the United States had acknowledged in advance the invitation for Hun Sen to visit.

Continuing, the editorial says the prime minister's actions should be beneficial to the settlement of the Cambodian problem, considering: "First, the external factors for solving the Indochinese problem have



improved considerably since the Soviet Union announced its 'perestroika' and 'glasnost' policies, and the PRC has opened its talks with Vietnam on the Indochinese problems. Vietnam has also announced that it will withdraw its troops from Cambodia and that there should be no military assistance for the Khmer tripartite coalition after the troop withdrawal. Second, the Indochinese countries—be it Vietnam, Cambodia, or Laos—want to open up their countries for trade with neighboring countries because of their economic problems."

The editorial concludes by saying that the prime minister should fully explain his actions—which have been widely criticized by some academics and conservative diplomats—as soon as possible for these people to understand his policy and to prevent further rifts. Although the policy is timely, it is being carried out in an abrupt manner that is difficult for some groups the academics and diplomats to accept.

BAN MUANG's 3 February "Stop the World" column on page 2, entitled: "Thailand Appropriately Corrects the Cambodian Problem," says that Foreign Minister Sitti Sawetsila should not resign from his position at this time, because the cabinet still has yet to reach a decision on recognizing the PRK Government of Premier Hun Sen; but he can do so if the cabinet agrees to recognize the Hun Sen government. The column mentions that in the United States, a superpower with a democratic administration system like Thailand, its secretary of state did not resign when the government decided to recognize communist China and abandon nationalist Taiwan.

"The United States does not have diplomatic relations with Vietnam. It once limited the Vietnamese ambassador to the United Nations to stay only in New York. But it has changed its policy by allowing the Vietnamese ambassador to travel to Washington. The U.S. Government has also sent several delegations of officials to contact the Vietnamese Government for talks on MIA's and the Amerasian children in Vietnam, as well as to facilitate the resettlement in the United States of Vietnamese who had worked for the United States. No people finds fault with the United States, because it has the right to do so since it is an independent country, not a colony of anyone," the column says, adding that "Thailand is also an independent state. It has the right to carry out its foreign policy freely for the interests of the state and for peace in the region."

**MP's To Attend Ceremony in Cambodia**  
BK0702131589 Bangkok MATICHON in Thai  
6 Feb 89 pp 1-2

[Text] Prachachon Party's Secretary General Wira Musikaphong told MATICHON on 5 February that he will visit Cambodia on 20 February. He will be accompanied by the MP's who recently visited Cambodia, including MP Piyanat Watcharaphon of Sisaket Province, Ruam Thai Party; MP Sanan Suphanchanaburi of Phatthalung

Province, Prachachon Party; and MP Thanit Traiwut of Trat Province, Prachachon Party. The group will attend a religious ceremony at a monastery in Koh Kong, Cambodia, in their capacity as members of the ceremony organizing committee and at the invitation of Chea Sim, chairman of the Cambodian National Assembly.

Wira said Cambodia released about 20 Thai fishermen on 4 February from Kompong Som Prison. They had been arrested for violating Cambodian waters. Wira said the release of Thai fishermen was in return for his group's visit to Cambodia in January. MP Thanit Traiwut accompanied the freed fishermen back to Trat Province from Koh Kong. Concerning the fate of more than 200 Thai fishermen intercepted more recently, Wira said the matter must be dealt with between the Thai and Cambodian Governments.

Asked whether his visit would create a problem, as some people had already said that it is against the law, Wira said he places importance on political relations. Without a political breakthrough, there will be no outlet for other contacts. He cited as an example Prime Minister General Chatchai Chunhawan's invitation to Hun Sen, the prime minister of the Heng Samrin regime, to visit Thailand. Hun Sen could never come to Thailand lawfully. If we have to follow the law at every step, we will never be able to make progress in political relations.

**Border Trade With Burma Takes Upturn**  
BK0702052889 Bangkok THE NATION in English  
7 Feb 89 p 14

[Text] Thai-Burmese border trade is undergoing a dramatic change for the better after three customs checkpoints were opened late last year resulting from a joint arrangement by the governments of Thailand and Burma.

Although the Thai government's stance on the status of Burma's Saw Maung government is ambiguous, the establishment of customs checkpoints, officially opened on Dec 20, 1988, gave a fresh boost to border traders.

The joint arrangement on setting up border customs facilities meant "legalization" of border trade. The first three checkpoints were set up at Thakhilek, Mae Sai District of Chiang Rai Province; the Burmese town of Myawade opposite Thailand's Mae Sot District in Tak Province; and Ko Song opposite Ranong Province.

Rak Tantisuthon, president of Tak's provincial chamber of commerce, reported that border trade has become more brisk following the opening of customs checkpoints. Trade at Mae Sot, for instance, has risen from a daily value of Bt [baht] 3 million to Bt10 million.

Previously, several products such as sanitarywares and building materials were not traded along the border because they involve high transportation and other costs. High costs stemmed from lack of Burma's official recognition on border trade with Thailand.

A merchant in Tak said the prices of goods from Thailand were 35 percent more expensive at the central market in Rangoon, about 300 km from the border, before the customs checkpoints were opened. Costs were high because transporters had to dodge Burmese government troops patrolling the route through deep forests occupied by Karen forces. For instance, traders had to pay 7.5 percent of the total prices of their goods to Karen groups as passage fee, according to the merchant.

The costs of bringing Thai products to Burmese consumers have declined to about 20 percent from 35 percent following the opening of customs checkpoints. He said trade volume is expanding more than two-fold as indicated by the increased number of trucks transporting goods between the Burmese town of Myawadi and capital Rangoon.

#### **Navy Submits Budget for Seaboard Program**

*BK0402004589 Bangkok BANGKOK POST in English  
4 Feb 89 p 1*

[Text] The Royal Thai Navy has submitted a request to the Government to invest 20,000 million baht in a total defence system for the Eastern Seaboard.

Navy chief-of-staff Adm Sawek Thatthong said yesterday the Navy had completed consideration of the plan and had submitted a proposal to the Finance Ministry.

The admiral did not say when the plan was submitted to the Government but that the Navy hoped to implement it next year.

According to Adm Sawek, the entire integrated defence system would take about five years to complete.

If the Government approved the budget request, implementation could start next year with funds allocated from next year's budget.

Adm Sawek said the programme would include early warning and weapons systems covering air, land and sea.

At present, he said, the Navy did not have enough frigates to patrol the coastline, and that vessels were beset by problems with defective and dated radar equipment.

Since many of the Navy's ships are small, the radar equipment does not work effectively in bad weather and when seas are high.

Adm Sawek said the Navy would need a piece of land to set up a centre for the defence system and had already made a request for land to be allocated from the Interior Ministry and the Agriculture Ministry's Forestry Department.

He did not say where the centre of the system would be located.

The admiral said the centre would have to be staffed with a certain amount of personnel but that only a sufficient number would be needed to man the centre.

Asked whether such an expensive defence system is needed when Thailand is now trying to have good relations with neighbouring countries, Adm Sawek said the Navy had to plan for the future.

Besides, he said, the defence system could also be of benefit during peace time.

Asked whether Britain would be involved in providing equipment for the system, Adm Sawek said the British had offered to conduct a study into the possibility of installing such a system for the Eastern Seaboard.

The study was made "without strings": and whether the British become involved would depend on the policy of the Armed Forces commanders, Adm Sawek said.

The admiral said if the proposal is approved and implemented next year, the whole programme would be completed at the same time the Eastern Seaboard Project. Navy Commander-in-Chief Adm Prapat Kritsanachan has reportedly said the initial investment for the total defence system would be about 3,000 million baht.

#### **Air Base To Become International Airport**

*BK0602073289 Bangkok TNA in English 0409 GMT  
6 Feb 89*

[Text] Bangkok, Feb. 6 (OANA-TNA)—The Defence Ministry will seek the cabinet approval for the Navy to develop and manage the U-Taphao Airbase into a new international airport, the English-language NATION newspaper reported here.

The paper quoted an informed source as saying that the Defence Ministry said the Navy will continue using U-Taphao for military purposes and therefore it should remain under the Navy's supervision.

The paper said, in addition, the Defence Ministry also cited the cabinet ruling on Aug. 28, 1985, allowing the Navy to modify the former American airbase into a commercial and military reserve airport.

But, the source said, the Communications Ministry has recently proposed that a new state enterprise under its supervision be set up to develop and operate U-Taphao to cope with the fast-growing Eastern Seaboard Development.

The source said the Eastern Seaboard Committee will soon consider the Communications Ministry's proposed new state firm. The proposal, if endorsed by the committee, will be forwarded to the cabinet for approval, the paper said.

Under the Communications Ministry's proposal, the new state enterprise will be chaired by the Navy commander in chief as U-Taphao is located on the Navy land.

The renovation of U-Taphao includes strengthening of the runways which have been neglected for more than a decade, installing navigation equipment and redecorating the terminal lounges, according to the Communications Ministry.

The paper reported that the ministry said once the new state enterprise was established, it could seek foreign loans for the airport development project instead of relying on the government budget, which would definitely delay the project.

U-Taphao, an airport located near the Phatthaya resort, is in the eastern province of Rayong, 179 kms from here. It will be the country's fifth international airport after Don Muang, Chiang Mai, Phuket and Hat Yai. The airport was built and used by the United States Air Force during the Vietnam war for bombing raids over Vietnam and Cambodia.

#### **Funds Allocated for Expansion**

*BK0702104489 Bangkok Domestic Service in Thai  
0000 GMT 6 Feb 89*

[Text] Rungrot Siprasoetkun, deputy director general of the Civil Aviation Department, reported on the expansion of U-Taphao Airport saying that at present the airport already serves as a secondary international commercial airport, but this fact is not popularly known. At present only chartered flights from the UK, France, and Germany are using U-Taphao Airport, in addition to three regular flights weekly from Hong Kong. Efforts should be made to boost markets by persuading more airlines to use the airport.

The deputy director general of the Civil Aviation department said that the department received a budget of 165 million baht for improvement of facilities at U-Taphao Airport to expand its capacity to cope with more passengers and more cargo services expected as a result of the Eastern Seaboard Development Program.

#### **Talks Slated for First Satellite Project**

*BK0602103189 Bangkok Domestic Service in English  
0000 GMT 6 Feb 89*

[Text] The Transport and Communications Ministry has invited the Thaisat joint-venture group to enter negotiations next Wednesday [8 February] on operation of Thailand's first commercial satellite project. The group remains as the only qualified bidder for the project after the American aerospace firm [name indistinct] failed to provide a 20-million baht bank guarantee in support of its bid by 1 February.

Permanent Secretary for Transport and Communications Siphum Sukkhanet said that in the upcoming negotiations with Thaisat, the ministry would seek a more definite date for the launch of a Thai satellite in 5-8 years time. While naming a rental fee competitive with those now paid for rental of a transponder on Indonesia's Palapa-2 satellite, Thaisat has proposed that they be given a three-year concession to provide satellite services to the Kingdom and that the satellite be launched in 8 years.

In the interim, while demand in Thailand for satellite service is forecast to be relatively low, the group offered to rent an Asiasat transponder for use by Thailand at a competitive rate.

#### **Vietnam**

##### **Shevardnadze's Arrival in Beijing Reported**

*BK0802025889 Hanoi International Service in English  
1000 GMT 2 Feb 89*

[Text] Soviet Foreign Minister Eduard Shevardnadze arrived in Beijing on Wednesday [1 February] on an official visit to China. Mr Shevardnadze was welcomed at the airport by his Chinese counterpart Qian Qichen and many other Chinese officials.

##### **Summit Preparation Main Task**

*BK0802030489 Hanoi Domestic Service in Vietnamese  
1100 GMT 3 Feb 89*

[Text] According to the Soviet news agency TASS, Soviet Foreign Minister Shevardnadze and Chinese Foreign Minister Qian Qichen began their talks in Beijing on 2 February.

The two sides asserted that the main objective of the talks was to make preparations for Soviet and Chinese top leaders' meeting that will mark the complete normalization of Chinese-Soviet relations.

The two ministers noted efforts to settle the Cambodia issue and to recent developments in Southeast Asia where there has been a prevailing trend to shift from confrontation to dialogue, and from tension to cooperation.

Foreign Minister Qian Qichen gave a banquet in honor of Foreign Minister Shevardnadze on the same day.

Foreign Minister Shevardnadze also visited the Great Wall, a historical site in China.

##### **Tass Report on Talks Cited**

*BK0802031889 Hanoi International Service in English  
1000 GMT 4 Feb 89*

[Text] According to the Soviet news agency TASS, Soviet Foreign Minister Shevardnadze met Chinese Premier Li Peng in Beijing on Friday [3 February]. In their talks, the



two sides exchanged views on the continued development of the Sino-Soviet relations and a series of international problems of mutual concern.

Earlier on 2 February, Soviet Foreign Minister Shevardnadze held talks with his Chinese counterpart, Qian Qichen. The two sides affirmed that the main goal of the talks was to prepare for the meetings of top leaders of the two countries which mark the full normalization of Sino-Soviet relations. They also compared notes on the problems which were discussed during the visit to the Soviet Union by Chinese Foreign Minister Qian Qichen. The two ministers paid much concern to the settlement of the Kampuchea issue and to recent developments in Southeast Asia where the main trend is to turn confrontation into dialogue, tension into cooperation.

The two ministers continued their talks on Friday. The Chinese side especially invited President Gorbachev to visit China. On behalf of President Gorbachev, Soviet Foreign Minister Shevardnadze accepted the invitation.

The same day, Soviet Foreign Minister Shevardnadze was in Shanghai to meet Chinese leader Deng Xiaoping.

#### **Gorbachev Invited To Visit PRC**

BK0802035289 Hanoi Domestic Service in Vietnamese  
1430 GMT 5 Feb 89

[Text] According to the Soviet news agency TASS, on 3 February in Beijing, Soviet Foreign Minister Shevardnadze continued holding talks with Chinese Foreign Minister Qian Qichen.

The two sides continued discussing the preparations for the Sino-Soviet summit meeting, exchanged views on measures aimed at broadening and strengthening economic and trade cooperation between the two countries, and expressed satisfaction at the broadening of economic cooperation between the Soviet Union's Far Eastern and Siberian areas and their neighboring provinces in the PRC.

The two sides discussed a number of international issues.

Foreign Minister Qian Qichen asked Foreign Minister Shevardnadze to convey PRC Chairman Yang Shangkun's invitation to Soviet Supreme Presidium Chairman Gorbachev to pay an official visit to the PRC.

On behalf of Chairman Gorbachev, Foreign Minister Shevardnadze accepted the invitation.

On the same day, Foreign Minister Shevardnadze was in Shanghai to meet PRC Leader Deng Xiaoping.

#### **Shevardnadze Meets Deng, Leaves**

BK0802032889 Hanoi Domestic Service in Vietnamese  
1100 GMT 6 Feb 89

[Text] On 4 February in Shanghai, Comrade Shevardnadze, member of the CPSU Central Committee Politburo and Soviet foreign minister who was on an official friendship visit to China, met Chinese leader Deng Xiaoping. During the talks which took place in a friendly atmosphere, the two sides exchanged views on the fundamental issues of Sino-Soviet relations and world development, and on the profound reforms which are taking place in the Soviet Union and China. The talks affirmed that thanks to efforts by both sides, the relations between the Soviet Union and China have entered a period of full normalization; and this opens up possibilities for Sino-Soviet relations to embark on a new qualitative stage. Proceeding from realities in the world at present, these relations will be built on the basis of peaceful coexistence, good neighborliness, equal cooperation, and mutual benefit, thus meeting the basic and long-term interests of both peoples in this regard. The two sides stressed the importance of the coming visit to China by Comrade Gorbachev for the Sino-Soviet summit.

During the talks, the two sides noted efforts to seek a political solution to the Cambodian situation. The Soviet side pointed out that the settlement of the Cambodian issue has been started, and this is opening up new prospects for cooperation among countries in this region.

On the same day, the two sides announced the results of the 2-4 February visit to China by Soviet Foreign Minister Shevardnadze, pointing out that both sides agreed that Comrade Gorbachev will pay an official visit to the PRC in mid-May this year at the invitation of the PRC Chairman Yang Shangkun. Comrade Gorbachev will meet Chinese leaders Deng Xiaoping, Zhao Ziyang, Li Peng, and others.

Before leaving China, Comrade Shevardnadze declared at a Beijing press conference that the coming Sino-Soviet summit is aimed at fully normalizing bilateral relations.

On 4 February, Foreign Minister Shevardnadze left for a visit to Pakistan.

#### **Summary of Visit Reported**

BK0802104189 Hanoi International Service in English  
1000 GMT 8 Feb 89

[Text] Talks were held in Shanghai between Soviet Foreign Minister Eduard Shevardnadze and Chinese leader Deng Xiaoping. The two sides compared notes on the fundamental issues in the Soviet-Chinese relationship and world developments, as well as on the drastic reform underway in both the Soviet Union and China.

At the talks, the two sides acknowledged their bilateral efforts that are helping normalize the Soviet-Chinese relations, thereby ushering in a new stage of development in

their bilateral relations. The two sides underscored the significance of the coming visit to China by the Soviet leader, Mr Gorbachev, for the Soviet-Chinese summit.

The two sides paid attention on finding a political solution to the Kampuchean issue. The Soviet Union held that the settlement of the Kampuchean issue has started, thereby opening up new prospects for cooperation among countries in the region.

**Heng Samrin Visits Vietnamese Army Volunteers**  
*BK0702154689 Hanoi VNA in English 1509 GMT*  
7 Feb 89

[Text] Hanoi VNA Feb 7—Heng Samrin, president of the State Council of the People's Republic of Kampuchea, has visited a unit of Vietnamese Army volunteers discharging its internationalist duty in Kampuchea, on the occasion of the Vietnamese traditional Lunar New Year festival.

President Heng Samrin was warmly welcomed by Lieut-Gen. Nguyen De, commander of the 9th Military Zone, who was on a new year visit to Vietnamese volunteer troops in Kampuchea, and Major-Gen. Nguyen Dinh Chuc, commander of the unit.

The Kampuchean president expressed his best wishes to the Vietnamese troops and through them, to their families. He said: "The Kampuchea people will forever preserve the solidarity between Kampuchea and Vietnam like the apple of their eye, and consider it an important factor to the development of the revolution in the three Indochinese countries."

In reply, Major-Gen. Nguyen Dinh Chuc thanked the Kampuchean party and government for their care to the Vietnamese Army volunteers. He promised that his unit would do its best to fulfil its international obligation in Kampuchean.

**Foreign Firms To Cooperate in Hotel Building**  
*BK0802101689 Hanoi VNA in English 0732 GMT*  
8 Feb 89

[Text] Hanoi VNA 8 February—Documents on cooperation between the Hanoi Tourist Company and the French firm "Pullman" and the Crystal Centre Property Limited of the Federal Republic of Germany have been signed here recently.

With 30 percent of the investment from Pullman and 70 percent from Hanoi Tourism, a five-star hotel named Pullman-Thong Nhat-Metropol will be built in Hanoi, consisting of the Thong Nhat Hotel (15 Ngo Quyen Street) which will be upgraded from 94 rooms to 109 rooms, a new 250-room building, a swimming pool, a sauna, a tennis court, a telecommunication system, and large conference halls.

All modern equipment for the hotel will be given by Pullman.

A 14-story hotel will also be jointly built on the ground of Hoan Kiem Hotel here by the Hanoi Tourist Company and the Crystal Centre Property Limited of the FRG.

Equipped by the FRG firm, this U.S. dollar 15-million-worth hotel will be a three-star one in Hanoi.

The construction of these two hotels will start in June this year.

## Australia

### Acting Foreign Minister Meets PLO Officer

BK0802025789 Melbourne Overseas Service  
in English 0100 GMT 8 Feb 89

[Text] The Zionist Federation of Australia has criticized the federal government's decision to hold talks at the ministerial level with the representative of the Palestine Liberation Organization. The acting minister for foreign affairs, Mr Duffy, held talks in Melbourne yesterday with the PLO's permanent representative at the United Nations in New York, Mr Zuhdi al-Tarazi.

A spokesman for Mr Duffy said the talks were a useful opportunity for Australia to obtain more information about the Palestinian attitude to the Middle East peace process.

However, the Zionist Federation of Australia said the meeting would not help the peace process. The federation's acting president, Mr (Shmuel Rosenkrantz), said the Australian Government should not reward the PLO for what he called its lack of moderation with such high-level meeting.

## New Caledonia

### Anti-Independence Leader Criticizes Accords

BK0402011289 Hong Kong AFP in English 2247 GMT  
3 Feb 89

[Text] Noumea, Feb 4 (AFP)—Anti-independence leader Jacques Lafleur criticised here the implementation of the Matignon accords on New Caledonia which he signed in Paris last year with Melanesian and French Government leaders.

"Nothing is being done in the short term for those who have suffered from four years of civil war" in the French South Pacific territory, Mr Lafleur said Friday on his return from a two-month stay in France.

"Nothing is being done for those who are hungry, who have only one shirt and one pair of trousers ... These are the people we should be concerned about."

Mr Lafleur, who leads the main anti-independence group, the Rally for Caledonia in the Republic, said the Matignon accords remained the only way to "place New Caledonia on a path of economic development and peace."

He said the accords should be properly implemented and that fewer French ministers should visit the territory as their differing views only clouded the issues. Eight ministers have come in the past six months.

The Matignon accords, which govern the future of the territory until a 1998 self-determination referendum, were signed by Mr Lafleur, pro-independence Melanesian leader Jean-Marie Tjibaou and French Prime Minister Michel Rocard.

Mr Lafleur, who met with Mr Rocard and President Francois Mitterrand in France, said he now wanted a meeting with Mr Tjibaou, head of the Kanak Socialist National Liberation Front (FLNKS).

## Papua New Guinea

### Soldiers Reportedly Go on 'Rampage' Over Pay

BK0802055989 Melbourne Overseas Service  
in English 0500 GMT 8 Feb 89

[Text] Soldiers in the Papua New Guinea Defense Force have rioted over a pay rise dispute. Radio Australia's Port Moresby correspondent, Sean Dorney, says it is pay and not politics that has caused a number of soldiers to go on a rampage.

Dorney says that soldiers are furious that a long-promised pay raise has given big increases to officers while lower-ranked soldiers have received little. Our correspondent says the trouble began last night at (Tarama) barracks—base of the 1st Pacific Island Regiment—and has spread to Defense Force headquarters at (Murry) barracks.

Today, the restive troops have marched the 5 km through the Port Moresby suburbs to Parliament. On their way, at least one police car was overturned, traffic lights smashed, trees uprooted, and market vendors and bystanders sent fleeing to safety.

Latest report from Port Moresby says the restive soldiers are still at the Parliament House and in the streets and that the cabinet of the prime minister, Mr Namaliu, is still in emergency meeting.



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**DATE FILMED**

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